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FIRST

REPORT

FROM THE

SELECT COMMITTEE

ON THE

AFFAIRS

OF

109273

THE EAST INDIA COMPANY.

(China Trade.)

Ordered, by The House of Commons, *to be Printed,*
8 *July* 1830.

108273

GENERAL INDEX

FIRST REPORT.

[The Figures in the Margin denote the numbers of the Questions which gave rise to the Evidence upon the several points; and the Printer having, by mistake, repeated the numbers from 3400 to 3999, such of those numbers as are referred to, have placed over them the numbers of the Pages of Evidence in which they are recorded. The Copy of Evidence used in preparing this Report, is that printed, not for the Committee, but for The House.

THE SELECT COMMITTEE appointed to inquire into the present State of the Affairs of The EAST INDIA COMPANY, and into the Trade between *Great Britain*, the *East Indies*, and *China*, and to report their Observations thereupon to The House; having from time to time reported the MINUTES of EVIDENCE, and having now closed that part of the Inquiry which respects the CHINA TRADE, deem it expedient to place before The House, a Summary of all the Evidence which has been taken upon that Subject.

YOUR Committee directed their attention in the first instance to the Papers relating to the Finances of India, laid before The House in February last by The King's command; but having found it necessary to call for further statements, Your Committee determined to proceed to an examination of the state of the Trade with China, postponing, until that should be completed, their inquiry into the Company's Finances.

The present Report, therefore, will embrace only The CHINA TRADE; but, as in the course of it there will frequently be occasion to use the term "Board's Rates of Exchange," it may be desirable so far to refer to the first day's Minutes of Evidence, which relate exclusively to financial matters, as to explain that phrase to mean, that in the plan for the separation of the Territorial and Commercial Accounts of the Company, framed in obedience to the Act of the 53d GEO. 3. c. 155. s. 64. the Board of Commissioners for the Affairs of India (contrary to the opinion of the Court of Directors) determined to use the old Rates of Exchange, according to which, 4,307.

the Sicca Rupee is equivalent to 2/3.84
the Madras Rupee to 2/3.408.
and the Bombay Rupee to 2/3 72. 78. 82. 90. 148. 4900.

and which as they now materially exceed either the Bullion Par or the Market Exchange, have the effect of giving to the Indian territory a great advantage from the Company's Trade, independently of any direct benefit which may

accrue to it from the appropriation of the surplus profits of that Trade as prescribed in the 57th section of the Act of the 53d GEO. 3. c. 155. It is, however stated that, if that advantage had not been derived by the Territory in this form, there would have been a corresponding increase of the surplus so to be appropriated.

The Evidence on The CHINA TRADE may be classed under the following general heads, viz.

The disposition of the Chinese in respect to Foreign Trade, and the mode in which their transactions with Foreigners are conducted at Canton:

The state of the British Trade with China, particularly of that in Tea:

The mode in which the Company's Sales of Tea in England are conducted, and the effects of the Laws which regulate the Trade in that article upon the Company and upon the Public respectively:

The Trade of the Americans and of other Foreigners with China: and

The effects expected from the abolition of the Company's exclusive privilege.

Multifarious as are the topics referred to in the Evidence, they may all be comprised under one or other of these divisions; while by adopting this simple arrangement, Your Committee hope to bring before The House, without troubling it with unnecessary details, a clear and comprehensive Summary of the information they have obtained, abstaining from the expression of any opinion.

DISPOSITION OF THE CHINESE IN RESPECT TO FOREIGN TRADE, AND THE MODE IN WHICH THEIR TRANSACTIONS WITH FOREIGNERS ARE CONDUCTED AT CANTON.

p. 279. p. 296. p. 322.
297. 3492. 3670. 3852.
295. 371.
800. 922. 1129. 1870. 2208.
p. 230. p. 251. p 322.
2640. 2671. 3424. 3792. 3852.
4,487.
p. 233. p. 237. p. 279.
3479. 3538. 3492. 4274, & seq.
4739.
p. 234. p. 296.
877. 3491. 3673.

THE People of China are represented to be intelligent, industrious and persevering; and although said to be in some measure independent of foreign trade, owing to their success in agriculture and to their extensive inland commerce, yet highly sensible of its value, and anxiously disposed to cultivate it. This disposition, indeed, is strikingly manifested in the Chinese settlers on the Eastern islands, whose object in emigrating is the accumulation of wealth with a view to returning into their own country, to which they have a strong attachment; and a further proof of this spirit is to be found in the number of Chinese junks which frequent the various ports of the Archipelago.

369.
1358. 1413.
297. 371. 1315.
2641. 2689.
p. 243. p. 280. p. 322.
3627. 3495. 3852.
177. 369. 426. 529.
2451. 2689.

One Witness has certainly said that the Chinese are "anti-commercial;" but this term has been explained to apply, not so much to the disposition of the people as to that of the Government, whose policy, as it is stated, is adverse to foreign trade and to all foreigners, even though they are aware of the advantages derived from that intercourse. Towards the English, it is by some apprehended that there exist peculiar jealousy and distrust, arising from a knowledge of their territorial acquisitions and military achievements in India, especially those in Nepaul and Ava.

The

The Government of China derives from the foreign trade a revenue, estimated at the most at £.650,000. per annum, besides the advantage resulting from the patronage of Canton, said to be the most valuable in the empire, and to be sold by the Government to the highest bidder. Hence it follows that the local authorities are greatly interested in maintaining the trade, which, from the same cause, is subjected to heavy taxes and extortions. The inhabitants also of Canton and its neighbourhood, as well as the numerous classes employed in the culture and manufacture of Tea, have a deep interest in the trade, every interruption of which consequently causes great individual distress.

The Foreign Trade, which is now restricted to Canton (excepting in the case of the Spaniards, who have still access to Amoy, a privilege stated to be nearly nominal, and very rarely used) was formerly carried on in other ports, from which foreigners were gradually excluded by acts of the Chinese Government. In spite of these restrictions, however, it is stated that a contraband trade, chiefly in opium, has of late been openly carried on (without any disturbance from the Chinese authorities) with the ports to the north-east of Canton, which are represented to be safe and excellent harbours.

Foreigners are interdicted, by Chinese regulations, from going within the walls of Canton. The place of their abode is a small suburb, and their residence there is authorized only for the period of the shipping season; but that limitation is not enforced, the Company's servants going when they please to Canton, and some private merchants residing there throughout the year.

Tea, although cultivated in maritime districts, is brought chiefly to Canton through the interior, the Government prohibiting it from being transported by sea in native vessels, in which, however, in spite of that prohibition, Tea is conveyed in considerable quantities to the Eastern Archipelago, and even to Canton.

Foreign ships are not permitted to trade at Canton until security is given to the Government for the payment of its dues; which security also involves responsibility for the good conduct, and submission to the laws, of the ship's company. The only persons whom the Government accepts as such security, are the Hong Merchants, formerly ten in number, but reduced by bankruptcies to seven. These, with the exception of the senior, excused upon the ground of his numerous avocations, become security for the Company's ships in turn; the whole of the Company's Trade being apportioned among the seven Hong Merchants in shares.

It has been stated that the Hong Merchants have occasionally manifested an unwillingness to become security for Indian and American ships, and required, as a condition of the undertaking, to be traded with exclusively; but on the other hand, evidence has been given that no such difficulty has been experienced, and that the security merchant is selected by the trader with a view to his own interests, it being the practice to trade always in part, and generally in chief, with the merchant so selected.

The Hong Merchants form the body through which the Government of China permits the Foreign Trade to be carried on, allowing, however, other persons (designated in the evidence as "Outside Merchants" and "Shopmen") to trade with foreigners; but not in certain articles, such as Tea, Raw Silk,

Silk, Cloths and Woollens, all of which are by the Chinese edicts reserved exclusively to the Hong Merchants, they being responsible for the duties of the Outside Merchants.

The Hong Merchants are by law mutually responsible for each other, to a limited amount; but that regulation does not appear to be always enforced.

No one is responsible for the debts of the Outside Merchants, and Traders are warned of this in official notifications.

The Hong Merchants are stated to be fair and liberal in their conduct. A similar opinion, though with less confidence, and some qualification, has been expressed respecting the Outside Merchants.

The East India Company deal exclusively with the Hong Merchants, and are represented to be the only Traders who abstain entirely from all illicit dealing. A preference has been expressed by most of the Witnesses to trade with members of the Hong; but the officers of the Company's ships, and private traders, including the Americans, have frequent dealings with the Outside Merchants, even in Tea and other prohibited articles.

From a communication made to the Court of Directors by the Select Committee at Canton, dated the 29th December 1829, it appears that four of the Hong Merchants were in a state of inevitable bankruptcy; and that the Hong, generally, was in such a deplorable condition as to render necessary either "a radical change of system," or an increase in the number of Hong Merchants. With a view to this object, a negotiation was commenced by the Select Committee with the local authorities; and advices have recently been received, dated the 23d of February and 2d of March last, announcing that this negotiation had led to the addition of three Merchants to the Hong, and to the expression of a desire on the part of the Viceroy of Canton further to increase the number.

The object of the Chinese Government in their several regulations affecting foreign trade, is stated to be, that that trade should be always within their own control. This would have been more completely secured than at present, had that Government accomplished a plan, proposed in 1814, under the sanction of an Imperial Edict, for giving to two or three of the senior Hong Merchants, as the agents of the government, an absolute power to fix prices. The attempt was resisted by the Company's Supercargoes, who, after having recourse to the measure (adopted usually by the Chinese, when they have an object to attain) of stopping the trade, succeeded in defeating an arrangement which must have proved injurious to all foreigners in China.

Most of the Witnesses who have been at Canton concur in stating, that business may be transacted there with greater facility and expedition than in almost any other part of the world, much of which is said to be owing to the transactions connected with each ship being all managed by the same person, the Security Merchant. It has been further stated, that the Hong Merchants have occasionally aided the operations of commerce, by advancing money on loan to foreigners.

Smuggling in various articles is carried on in China to an immense extent, and to the injury of the Hong Merchants, who are never concerned in it. It takes place chiefly in the contraband article of Opium, which is imported into China in Country and American ships, and much of which is purchased at the Company's sales in India.

The

The Chinese Government prohibits the use of Opium upon a moral principle; but this prohibition, although frequently reiterated in Imperial proclamations, is not only disregarded by the people, but also by the Government officers, who appear systematically to connive at the smuggling of opium, and to derive a large profit from the bribes of the smugglers. The Company's servants in India and China are cognizant of the fact, that the opium sold at their sales is conveyed to China; but they are expressly prohibited from having any dealings whatever in that article.

741.

550. 715.

174. 713. 719. 2001 to 2005. 2526. 2534. 2577. p. 317. 3795.

291. 706. 709. 2020.

STATE OF THE BRITISH TRADE WITH CHINA, AND PARTICULARLY OF THAT IN TEA.

THE Trade of the United Kingdom, and of British subjects, with China, which in the aggregate largely exceeds that carried on by all other foreigners, is by law (53d Geo. 3. c. 155. sec. 2 & 8.) vested in The East India Company until April 1834; and no Tea can, at any place, be put on board of a British vessel, or of any other vessel by British subjects, but by the East India Company, or persons duly authorized by them. These privileges do not empower even the Company, either by themselves, or by license to other persons, to trade between China and places not situated either within the limits of the Company's Charter, or intermediately between China and Great Britain. The Company's charter comprehends, however, for the purposes of trade, the Cape of Good Hope, (54 Geo. 3, cap. 34, sect. 3.); and the Company have also permission to trade to the British Colonies in America, under the 5th Geo. 4, cap. 88.

705.

Vide Acts of 53 Geo. 3. cap. 155, and 54 Geo. 3. cap. 34, and Reports of Foreign Trade Committees, ordered to be printed 7th of May 1821 and 10th of July 1821.

The exclusion of British Shipping from the trade between China and foreign Europe, and other parts, has been very greatly complained of; and cases have been adduced, in which, owing to the state of the law in this respect, foreign ships have been engaged, upon advantageous terms, by parties who were willing to employ British vessels.

1501. 1783. 2043. 2153. p. 236. p. 237. 3531. 3535.

The East India Company reserve to themselves all the Trade between the United Kingdom and China, excepting only a small portion allowed by way of privilege to the commanders and officers of their ships. Licenses are granted, by the Company's authority, to all Indian ships, usually denominated "Country ships," to trade between India and China, and to export from China a limited quantity of Tea (stated not to exceed 400 chests in a ship) with permission to dispose of it at any intermediate port between China and the port in India to which the ship may be destined. These licenses do not include the Cape of Good Hope, the Company themselves supplying that Settlement with tea, and at prices deemed high by some Witnesses, notwithstanding an arrangement made some years since by the Company for putting up their teas for sale at the Cape at an advance, not exceeding six per cent on the cost and charges of importation.

405. 627.

2071.

2078 to 2081. 2831. 4117.

2066. 4028 & 4029. 4030. 4067.

The licensed British Trade in country ships, from India to China, has greatly increased, and is conducted by agents unconnected with the Company.

224 & seq. 284. 460.

The Company's Trade at Canton is managed by an establishment of Supercargoes and Writers, twenty in all, with two inspectors, whose duty it is to examine into and report upon the qualities of all teas offered for sale to the Company. Three or four of the senior Supercargoes are annually formed into a Select Committee, who, under the orders of the Court of Directors,

272.

272 (a.)

conduct the whole of the Company's affairs in China. The Select Committee possess certain powers over British subjects and country ships when in China.

The influence of the Company's servants at Canton, is stated to be considerable, and to have increased of late years. They are admitted to personal conferences with the Chinese authorities, who occasionally pay visits of compliment to the Factory and the Company's ships. They are the only foreigners who are permitted (and much value is attached to the privilege) to address the local government in the Chinese language. All other foreigners are obliged to use European languages, whereby the Government is enabled to put what construction it pleases upon the contents of the addresses.

The Company's superior influence is ascribed to the magnitude and regularity of their dealings, and to their being able to temporise, without either incurring national dishonour, or bringing ruin upon themselves.

Some of the Witnesses have said, that neither the private British traders, nor foreigners, have derived any benefit from the Company's influence, the exercise of which has, on the contrary, excited complaints from persons interested in the Country and American Trade; whilst in contradiction to these notions it is maintained by others, that the country trade exists under the protection of the Company's trade, that the Company's influence has afforded a necessary and efficient counterpoise to that of the Hong, and that it has been successfully exerted in upholding the character and station of foreigners. It is stated moreover, that by the influence of the Company, searches of country ships have been prevented, and difficulties in the prosecution of their transactions removed; that exactions and combinations have been checked and resisted; and that foreign trade, in general, has been greatly benefited by means of that influence, the objects for which the Company have had to contend being for the most part of common interest to all nations.

Difference of opinion exists among the Witnesses, as to whether the same degree of influence as is now possessed by the Company in China, could be maintained by a British Consul unconnected with trade. Some assert, that the Chinese are not prepared to recognize *foreign dignities* (in proof of which their refusal to acknowledge the authority of a British Admiral, in 1808, has been adduced,) and that they respect the Company solely on account of their large commerce; and on the other hand it has been asserted as strongly, that equal if not superior respect would be paid to a political functionary delegated by the Crown.

The Company do not grant licenses authorizing British subjects out of their service to reside in China; but a small number, acting for the most part as consuls for foreign nations, are resident there, and carry on extensive transactions of trade and of agency.

The main object of the Company's trade with China is the provision of Tea for the consumption of the United Kingdom, under the regulations of the Act of the 24th Geo. 3. c. 38, usually called "The Commutation Act," which require that the Company "shall from time to time send orders for "the purchase of such quantities of Tea, and provide sufficient ships to im- "port the same, as, being added to the stock in their warehouses and to the "quantities ordered and not arrived, shall amount to a sufficient supply for "the keeping a stock at least equal to one year's consumption, according to "the sales of the last preceding year, always beforehand."

Tea

Tea purchased by the Company in conformity with this enactment, used formerly to be paid for principally by bullion exported from England; and it would appear that the Americans still effect their purchases in China more readily with dollars than through the medium of merchandize.

Vide Appendix to Lords Report upon Foreign Trade, printed by Commons in 1821, pages 304, 306 & 307.
1159. 1199. 1252. 1693. p. 319. 1853. 2764. 2815. 3815. 5094.

The Company now provide their funds at Canton by sales there of the produce and manufactures of Great Britain, exported by them from hence; and by sales of the produce of India taken from thence to China, either by the Company and their officers, or by private traders, who readily exchange a portion of the sale proceeds for the Company's bills on India. A very small proportion of funds is raised by bills upon England, which, when drawn, are at the current exchange.

349. 4297. 4166. 4297. 2428. 4005.

The Company's purchases in England for exports to China, consisting principally of Cloths and Woollens, are made by tender and contract, the conditions of which, framed with a view to obtain the goods in a perfect state, and considered by some Witnesses to be necessary for that purpose, are said by others to be so strict as to deter some manufacturers from making an offer, and to compel those who do (the number of which, however, is given in evidence to be large) to demand high prices, as a compensation for the risk of rejection of their goods.

2944. 4769 to 4771. 3148. 4780 & 4781. 3387. 4848. 2945. 2956. 3111. 3114. 3007. 3115.

The goods rejected are often purchased at reduced prices, and exported in some instances, as it appears, to China by the Americans. Although the Company occasionally take goods not equal to contract, at an abatement of price, yet it is alleged that a public body cannot so conveniently depart from written contracts as a private merchant, and that consequently the effect of the Company's contracts is to obtain a perfect investment at too dear a price. Evidence on the other hand is given to prove, that in consequence of the arrangements of the Company, they are supplied with goods upon better terms than private merchants would be, supposing the quality of the goods to be the same. It has also been stated, in favour of the Company's cloths and woollens, that goods exported to China by the Americans (some of which are stated to have been of inferior kind) have been packed in the same form, and stamped with a mark closely resembling that of the Company, which is a passport, it is said, for goods from Canton into the interior, and this without the intermediate examination to which goods not bearing that mark are subject.

2254 to 2260. 2875. 2950. 3129. 3386. 4754. 4830. 4853. 4855. 3119. 4852. 2959. 3180. 3384 & seq. 4773. 4793. 4834. 4865. 2247. 2253. 2262 to 2265. 2268. 2885. 3372. & seq. 4759. 4764. 206. 391. 2897. 207. 392.

The Exports by the Company of the Manufactures of Great Britain, notwithstanding their desire to increase the consumption of them in China, have fallen off in value during the present Charter; and in some articles, though not in the aggregate, there has been a decrease in quantity, owing to a reduction of sale prices at Canton, caused, it is said, by considerable importations by the Americans. The decrease in the Company's Exports has been chiefly in Woollens.

182. 815. 2991. 4817. 5123.
Vide Papers ordered to be printed 4th June 1829, N° 2, and Return of the Foreign Trade ordered by the Lords to be printed, 11th May 1830, N° 3.
505. 1245. 1458. 5128.

Some Witnesses allege that these Importations by the Americans have been unprofitable; whilst others state that they have yielded a fair profit, and they infer from the continuance of this branch of the American trade that such must have been the result of the transactions; though again, it has on other hand been said, that if the Americans had found it really profitable to take British manufactures to China, they would have still further augmented such exports instead of taking specie.

180 212. 307. 510. 1442. 2681. 1857 & seq. 2853. 3255. p. 318. 3390. 3630. 3506. 510. 1442.

664. 1442. 1790 to 1796. 2009. 2820. 644. 2819. 878. 1701. 4470.

It is said that some articles of British manufacture, particularly Camlets, are smuggled into China, to evade high duties, levied as a protection to the native manufacturers; that the demand in China for British manufactures is limited by the restriction of the trade to one port; and that although woollen clothing is extensively used in the cold season, yet the chief demand for it is in the northern parts of China, the access to which, for bulky goods, owing to the distance and to heavy transit duties, is difficult and expensive. Were it not for these impediments, it is imagined that the consumption of British manufactures in China might be greatly increased.

183. 358. 388. 1451. 2805. 470. 1357. 4778 & 4779. p. 238. 358. 3540.

The late reductions in the home price of British Manufactures will, it is expected, have enabled the Company to realize a profit upon their Exports during the last two years; but upon the whole, their Exports of those manufactures have occasioned loss. Notwithstanding the loss stated to have been so incurred, the Company have continued this trade, influenced, as is declared, by a desire to promote the interests of the manufacturers, and of the growers of British wool, and by a conviction that their conduct in this respect was in accordance with a policy prescribed in charters and legislative enactments.

302. 1242. 1437. 5124. 180. 200. 387. 504. 1440. 4326 & 4327. 182. 507. 4327. 5128.

342. 1248. 1816. 2137. p. 322. 3842. 2040. 2285. 2810. p. 246. p. 246. 3089. 3702. 342. 573. 621. 642.

It used to be the practice of the Company to barter British manufactures for Teas; and from some parts of the evidence it would seem that this, to a certain extent, is still practically the case, not only with the Company, but also with Private Traders. Other Witnesses, however, acquainted with the Company's mode of transacting business at Canton, have stated that the system of barter has been altogether abandoned by them; that the prices of Teas and of Woollens have no reference to each other; and that the goods imported by the Company from England are disposed of at money prices, regulated by the market prices, and annually adjusted with the Hong Merchants. But these merchants are said to be unwilling purchasers, and to be induced to take the goods only in consideration of the advantage resulting to them from the Company's large purchases of Tea; and moreover, it is given in evidence, that the Hong Merchants induce the persons who bring the tea to market to take the goods in part payment.

205. 362. 408. 508. p. 317. 574. 616. 3799. 205. 344.

p. 278. p. 283. 3488. 3520. 4320 & 4321. 5114 to 5117. 4320 & 4323. 5118. 3520. 4134.

The produce of India exported to China consists principally of raw Cotton and Opium. The trade in the former article is conducted PARTLY by the Company, who are said formerly to have taken the cotton in kind, to the injury of the cultivators, and now to buy the cotton dear, and to lose by it; but in reply it is observed, that the trade in cotton would be profitable were it not for the freight, and this freight being a portion of that payable on the ships which import the teas, would be incurred, even if no cotton were sent to China; PARTLY the trade in Cotton is conducted by the commanders of the Company's ships, who are compelled to buy it from the Company and to pay the cost into the Treasury at Canton, at the intrinsic value, computing the price of silver at the old standard of 5 *s.* 2 *d.* an ounce; and PARTLY by private merchants, whose trade in cotton formerly yielded considerable profit, but which has latterly much fallen off, owing to the Cotton of India having experienced an increased competition with that grown in China.

2666. 3081. 253. 2794.

224 & 225. 339. 428. 1796, & seq. 1899. 1900. 3357 & 3358 p. 328. 3923.

The trade in Opium, which is altogether contraband, has been largely extended of late years, and is conducted by private merchants, British and American. The opium is readily disposed of in China; and the returns of merchandize from China to India not being proportioned to the value of the opium

opium, many of the ships go back in ballast, taking their sale proceeds either in bills on India, or in specie, the exportation of which requires a license from the Chinese authorities. This permission is granted occasionally for dollars, but never for native silver, usually called Sycee. Both are, however, constantly exported by Private Traders to India, in spite of the prohibition; and the whole export of silver by different parties has in some years considerably overbalanced the importation of dollars.

By these several methods of placing funds in China, in addition to drafts upon England, the Tale (a nominal or imaginary money in China, estimated by Americans as bearing the proportion of 133 dollars to 100 tales) has cost the Company very nearly 6*s.* 8*d.* upon an average of *all the years* since 1814/15; but in this cost, as is to be observed, are moreover *included* the freight and actual charges upon the outward consignments, and a portion besides of the charges of the establishment in China; and the loss, by the *Board's rates* of exchange (referred to and explained in the early part of this Report) is *included*, so far as the Indian part of the transaction is concerned. But on the other hand, this profit and loss computation of 6*s.* 8*d.* the tale does not include interest upon the Company's capital, and insurance from sea risk. Interest and insurance are *omitted*, upon the principle, as is stated, that neither the one nor the other are actual outgoings. It has been mentioned in evidence, that the rate of 6*s.* 8*d.* per tale is that which has for a long period been used in the profit and loss accounts of the Company's China trade, and has also been recognised by the several Parliamentary Committees which at different times have had to investigate the Company's affairs.

The Company's Exports from China are now confined to Tea, the trade in which has considerably increased since 1814. The Company have discontinued the exports of Nankeens and Silk, which latter article in its raw state appears to have been sent in some quantities to Sincapore, and from thence brought to England in private trade.

Tea is grown and used throughout China. Those species which are suited for the European and American markets are stated to be produced in five provinces; but doubts, as it appears in evidence, are entertained, whether the quantity of *fine* teas required for those markets could be materially augmented, an opinion being also given that an increased demand would for a time cause a rise of price. Supposing the quantity could be augmented, previous arrangements would be necessary to obtain it; the tea plant requiring at least two or three years to come to maturity. A sudden supply of an increased demand, especially for green tea, would, it is said, be of a deteriorated quality. In cases, however, where the Chinese have found that the demand was increasing, they have made their provision accordingly, though some difficulty has occasionally been experienced by traders in obtaining all they wanted.

A large proportion of the Company's Black Teas is bought by previous contract with the Hong Merchants, who form corresponding engagements with the cultivators, to whom the Hong Merchants make pecuniary advances. The practice of making advances to the Hong was formerly used by the Company; but it is now abandoned, from finding that it often entailed an obligation to receive the tea, whatever its quality might prove; and also from a desire to lessen the amount of the Company's risks in China. The method of previous contract is considered by some Witnesses to be well calculated to effect a regular supply, and of good quality; but on the other hand an opinion has been expressed, that the tea might be bought more advantageously by watching the state of the market.

186. 1211.
579. 594. 1211 to 1213.
181. 1230.
927.
178. 423. 1230. 1236.
p. 377.
3479.
200.
200. 603. 1212.
186. 199. 409. 930.
p. 240.
1412. 2490. 3044. 3577.
p. 231.
187. 315. 1043. 3446.
4294. 3448.
199. 380. 930. 1412.
1599. 1817. 2135. 2142.
2596. 2749. 3051.
1600 & seq.
3271. 5179 to 5181.
27.0.
1218 to 1223.
3402.
384. 416.

The prices of all the Company's Teas are settled, after an examination of their respective qualities, by a *descending scale* fixed many years since; but subject to change in the event of alterations in the market price, the Canton market for teas being said to be a fluctuating one. It is however alleged that the market price is regulated by the Company; and instances are adduced of their not only having successfully resisted combinations of the tea merchants to raise their prices, but also of their having in the year 1825 effected a material reduction in the market prices of contract teas.

The Company appear to have the pre-emption of most of the Black teas, of which they are by far the largest purchasers; but they have not the pre-emption of the Green, of which the Americans are the largest purchasers. This advantage in the market is stated to depend upon the extent of the respective dealings.

Many of the Witnesses concur in saying, that owing to the extent of the Company's purchases, to their system of contract, and to their great regularity, they buy the Teas, particularly the Black, at comparative advantages. Instances have been mentioned of Teas intended for the Company having been sold by the Hong Merchants to other parties at an advance of price. One Witness indeed is of opinion that the Company pay higher prices than Private Traders; and it is said, that by waiting until the Company's season is over, Teas are purchased more cheaply than by the Company during the season; but it is in this mode that the Company themselves buy their Winter Teas.

Difference of opinion exists at Canton regarding the effect of the Company's transactions upon Prices in China; some maintaining that it is to keep down prices; and others, that it is of an opposite character.

THE MODE IN WHICH THE COMPANY'S SALES OF TEA IN ENGLAND ARE CONDUCTED, AND THE EFFECTS OF THE LAWS WHICH REGULATE THE TRADE IN THAT ARTICLE UPON THE COMPANY, AND UPON THE PUBLIC RESPECTIVELY.

THE Act of the 24th Geo. 3, cap. 38, provides that there shall be at least four Sales in every year, at which there shall be put up such quantities of Tea as shall be judged equal to the demand; that the tea so put up shall be sold without reserve to the highest bidder, provided an advance of one penny per pound shall be bid upon the prices at which the same shall be put up; and that it shall not be lawful for the Company "to put up their "tea for sale at any prices which shall upon the whole of the teas so put "up at any one sale exceed the PRIME COST thereof, with the FREIGHT and "CHARGES of importation, together with lawful INTEREST from the time of "the arrival of such tea in Great Britain, and the common premium of "INSURANCE, as a compensation for the sea risk incurred thereon."

Papers as to Trade with India and China, ordered to be printed 4th June 1829, N° 33.
4941.
4368. 4941. 4947 & seq. 4943. 5065.

The quantity of Tea sold by the Company has greatly increased since 1814. The average of the three years 1814/15 to 1816/17, was 25,028,243 lbs.; and the average of the three years 1826/27 to 1828/29, was 28,017,238 lbs. It has been stated that the principle to which the Company look in determining what quantity to offer for sale, is the amount of deliveries and the quantities sold at the previous sale. The average sale proceeds of the larger quantity in the last three years, amounted to no more than £.3,376,773. while that of the smaller quantity in the three first years of the present Charter was £.4,003,838.

Papers as to Trade with India and China, ordered to be printed 4th June 1829; N° 33.
411. 4366 & seq. 5420.
5428. 5555.

The supply is said to have more than kept pace with the demand. Considerable quantities offered have occasionally been withdrawn, in consequence of

of no advance having been bid on the upset price. Some complaint was indeed made some years since, on the part of the Scotch dealers, that the Company did not put up enough; but it is stated, that when the Company augmented their supply, the same dealers complained of the increase, owing to their interest being affected by a reduction in the value of their stock in hand, the amount of which, however, is said to be generally very small. 5429. 5453. 5455.

From the Act which has been quoted, it will be observed that there are five component parts in the computation of the upset Price of Tea; viz.

Prime Cost,
Freight,
Charges,
Interest, and
Insurance.

To these it will be desirable, for the purpose of fully investigating an important part of the subject, to advert separately.

PRIME COST.

The Company, according to the evidence given, consider all their consignments and remittances to China as made solely with a view to the provision of funds for the purchase of Tea. They therefore compute the Prime Cost of the Tea at the sums expended in making those consignments and remittances, adding the Charges on the outward Consignments, including Insurance; and also adding Interest from the first date of expenditure in respect to such Consignments until that of the arrival of the Tea in England. In this computation (which Your Committee have deemed it necessary clearly to explain) the Company do not observe the Board's Rates of exchange, but the Rates they have thought fit to adopt are founded on the old Mint standard of *5s. 2d.* an ounce, which, although much less than the Board's valuation, considerably exceeds the market price of silver; but it has been stated to Your Committee, that upon an average of *all the years* since 1814/15, there is only a fractional difference between the value of the Rupee at the market price and at the old standard.

p. 332. 3994. 4149. 4164. 4297. 4236 & seq. 4298. 4883. 343. 4175. 3994. 4244 to 4246. 4302. 4306 & 4307. 4887. 4305. 4306. 4887.

In the computation of the Upset Price, the Board's Rates have not been used, because the Company, disapproving of these Rates, would not afford to them any avoidable sanction, and because also the observance of them would have had the effect, which it is said the Company always deprecate, of enhancing the Upset Price; but in the computation of Profit and Loss, the Board's Rates are necessarily observed, as the Loss to the Commerce which they occasion must be so brought to account. Interest and Insurance (as before shown) form a part of the Prime Cost of the Tea, inasmuch as the Company employ their Capital, and risk their Property in importing it; but they do not enter into their statement of Profit and Loss, because the Company, trading upon their own Capital, consider that there is no actual outgoing of Interest; and because, as being their own Underwriters, there is no charge for sea risk beyond actual losses, which alone are therefore charged to Profit and Loss.

4307. 4308. 4397. 4398. 4883. 4401. 4400.

It has been suggested, that the more proper criterion for ascertaining the prime cost of Tea, or indeed of any other article, would be the sterling value in exchange upon England at the *market price* at which bills may have been negotiated in the foreign country in the year of purchase; and, with regard to the market rate of exchange at Canton, an opinion is expressed, that if the trade were thrown open, the exchange would considerably fall, a like

p. 331. 3972 & seq.

result having taken place in Bengal when the Company's exclusive privilege of trade to India was put an end to. The cost to the Company of the Tale, in their computation of the upset price of the Teas, has amounted, upon an average of *all the years* since 1814/15, to 6*s.* 7*d.* .502. If the Bill of Exchange rate had been the principle of computation, it would have averaged for *the same period* 6*s.* 8*d.* 949 per Tale. Restricting the comparison to the year 1828/29, the upset price valuation was 6*s.* 4*d.* .624, as is shown in an account made up at the East India House; and it has been stated, that in that year bills upon England were drawn from Canton on private merchants at rates even lower than 4*s.* the dollar, which is equivalent to 5*s.* 6 $\frac{2}{3}$ per Tale; and that, if the monopoly did not exist, the rate would not upon an average exceed 4*s.* 3*d.* the dollar; some thinking that it would be even lower.

In reply it has been remarked, that the method adopted by the Company is in conformity with the laws prescribed to them by Parliament; that a computation of prime cost, founded on the rate of exchange prevalent at Canton upon London, would not be a proper criterion, as the Company cannot raise all their funds by bills upon themselves in England, without defeating the arrangement under which the proceeds of their Imports are in part appropriated to payments for the Territorial Government of India, amounting, upon an average, to three millions sterling a year.

The sum so paid in England is reimbursed to the Commercial Branch in India, the effect of that arrangement being, to make the China Trade, to the extent of two-thirds of the funds employed in buying Teas, a trade of remittance for the Indian Territory. The Commercial Branch makes this remittance at the Board's rates, the gain by which to India, compared with the market rates, amounted, in 1828/29, from the Tea trade alone, to £. 169,174.

It has been further stated, in reference to the comparison between the value of the Tale in the upset price computation in 1828/29, and its value in that year at the market exchange, that the Company's proceedings should be measured by the results, not of any one year, but of a series of years; that since 1814/15 the exchange at Canton upon London has fluctuated from 6*s.* to 4*s.* the dollar; and that the Tale has, by the Company's combined operations, been more cheaply valued, taking the average of the present Charter, than it would have been if computed at the rate at which bullion could have been sent to China, or at that at which bills appear to have been drawn in the same period; that, obliged as the Company are by law (24 Geo. 3. c. 38.) to provide a regular supply of Tea, they could not risk a dependence on such a money market as Canton for all their funds (other persons, however, contending that the supply would be certain); that if they did so, they would be subjected to the combinations of persons having the disposal of the available funds in China, and that a great rise in the rate of exchange must have followed any attempt to negotiate bills on England to an extent proportioned to the Company's demand for funds.

A Statement has been submitted, tending to show that the prime cost of the Teas sold in the United States of America is less than the Company's.

FREIGHT.

The Freight included in the upset price of the Company's Tea is an average computation per pound of that which they have actually incurred in respect to the Tea put up, all *political* freight and demurrage being carried to the debit of the Territorial account. It has been said by several of the Witnesses, and instances have been mentioned in support of their statement, that the Company's rates of freight are high, compared with those which private merchants pay; but this, on the other hand, has been attributed to

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the operation of the law (58 Geo. 3. c. 83. s. 2. in which former similar enactments were consolidated) under which the Company build ships, for the China trade, on contract for six voyages, applicable to warfare as well as trade; and it has been stated that most of such ships now in the service were contracted for in seasons of high prices; that the rates of freight are gradually decreasing; but that the Company's vessels, employed as they are in the conveyance of troops on distant voyages, must be equipped, even during peace, more expensively than would be required for a mere commercial purpose. The charge *for freight* of tea imported in the Company's ships has amounted to about 4 ½ *d.* for black, and 5 ½ *d.* for green tea; and it has been stated that it could now be imported in private trade for 3 *d.* per lb. or even lower. An Account, however, has been laid before Your Committee, for the purpose of showing that through the gradual reduction of the Company's freight, their charge will not eventually exceed 2*d* 57 *dec.* for black tea and 3*d* 21 *dec.* for green tea.

p. 259. 3955. 4373. 4384. 4388.
p. 259. 3961. 4386. 4696.
4205. p. 332. 3989.
N° 38. 5029.

The Company derive, as is given in evidence, an advantage in the employment of large ships, from the mode of levying the port charges at Canton, which are in some respects less in proportion for a large than for a small vessel; and it has been said that the large ships stow more rapidly and safely than the small, and carry more in proportion to their tonnage. The latter part of this statement has been controverted.

373. 1710. 1834. 1945. p. 326. 2223 & 2224. 2238. 3900. 1385. 1387. 2230. 2357. p. 257. 3922. 1832. p. 255. p. 326. 3868 to 3871. 3901.

he Ships which the Company engage to convey Teas to Canada are of a si aller description than those employed in the regular service. The Americans are said to have found by experience that the cheapest and best ships for employment in the India and China Trade, are those of about 400 tons.

377. 434 & 435. 3310.

It has been declared in evidence, that if the Company were unfettered by law, and were not compelled to make their Ships applicable to political services, their freights would be as low as those of private merchants.

4373.

CHARGES.

The Charges are only those on the *homeward* Investment; those on the *outward* Consignments being, as already observed, included in the computation of the Tale in the prime cost.

These Charges comprehend the expenses of landing, housing, warehouse rent, and preparing for sale; also the commission of the supercargoes, which is at the rate of two per cent on the net sale amount of the teas, deducting charges, and is not paid until two years after shipment in China. The Commission on the *outward* Consignments, comprised under the head of prime cost, is at the rate of nearly two per cent upon the sales in China and England. The rate of commission on the transactions of Private Traders and Americans in China appears to fluctuate from five to two and a half per cent, a single Commission being charged on the outward and homeward investments.

4232. 348. 350. 351. 344. 366. 961. 980–1033. 1105 1717 et seq. 1957. 1720, 1721. p. 247. p. 251. 2544. 2587. 3709. 3789.

INTEREST.

It will be seen that *to* the Prime Cost, according to the Company's mode of computing it, is *added* Interest *from the time of the provision of the Funds in China*, up to *that* of the arrival of the Tea in England, when the Company would be in the situation to sell it, were it not for that provision in the Act of the 24th Geo. 3. c. 38, which requires them to keep a stock at least equal to one year's consumption always beforehand; coupled with that provision, is an authority to the Company to include in the upset price

4298 and 4300.

Account, No 2, p. 349.

of the tea "lawful Interest from the time of the arrival of such tea in Great Britain." The Company's practice under this enactment is, to charge an interest at the rate of five per cent per annum for eighteen months, so that (combining the ordinary usage of the Company as respects interest being included in the invoice charges with the Parliamentary enactment) the upset price of the tea includes Interest from the time of the first expenditure in making remittances to China, until eighteen months after the arrival of the tea in England, that period of eighteen months being stated to be the shortest average period that the tea can remain on hand; the Company's ships all arriving at a particular time of the year, and the Act, as construed by the Company, requiring that the minimum stock on hand should not at any period fall below a quantity equal to twelve months consumption.

The keeping the article for so long a time produces deterioration in the Green teas, and that is also considered in America and in Holland to be the case with Black teas; but the evidence of the Tea Brokers is, that if black teas are kept in warehouses, and not in cellars, as is said to have been sometimes the case, they improve by keeping, and becoming stronger are better liked by the public.

INSURANCE.

The Company are their own Under-writers, or, to speak more correctly, they do not insure at all; and being empowered by law to charge in the upset price of tea "the common premium of insurance, as a compensation for sea risk," they annually fix a rate stated to be in reference to the market rate. The rate now used by the Company is Three per cent; and it appears in the evidence, that that is not more than the rate usually paid for the property of the owner and officers embarked in a *Company's* ship; though the rate for a *private* ship going direct is lower.

It was observed above, that the Company's ships are liable to circuitous voyages and deviations for political services, and this is considered to involve greater risk. The losses actually sustained by the Company at sea, since 1814/15, are stated by them not to have exceeded three-fourths per cent.

The Tea that is put up to sale must by 24 Geo. 3. c. 38. be sold to the best bidder, provided there be an advance of one penny per pound; and the Company offer to sell it, if the advance be no more than one farthing per pound. In cases where no advance is offered, the Tea is put up at the next sale without any price being affixed to it, and sold for what it will fetch.

It has generally happened that the sale price has considerably exceeded the price at which the Company offered to sell the Tea, the difference being, of course, all profit to the Company, who have also a further profit from their Insurance Account, and from the employment of the capital used in the Tea trade, at an interest of five per cent per annum. Insurance and interest at that rate being, as already observed, comprised in the upset price. The profit thus obtained, has of late very greatly declined; and it is stated not to have exceeded in the last year six per cent on the capital employed, exclusive however of interest, and of the gain (as already explained) from the Insurance account.

Notwithstanding the diminution in the Company's profit, it has been stated, that the fall in the price of their Tea, although very considerable, has not equalled the fall in the prices of other articles of trade. On the other hand it has

has been observed, that the rise in the price of Tea, during the period of high prices, was not so great as in that of some other commodities, and that the trade in Tea has by the Company's system been kept more steady than other commercial undertakings.

Several Statements have been submitted in evidence, with a view of showing that the Company's exclusive right to supply Tea entails a very heavy tax upon the public, amounting, in the view of one Witness, to £. 1,500,000.; of another, to £.1,727,934.; and of a third, to £. 2,588,499. of which latter sum, however, one half is acknowledged to be duty paid to the State. But those statements have been objected to and controverted, upon the grounds that they have reference to a trade conducted differently from that which the Legislature has prescribed to the Company; that the calculations are in some respects arithmetically wrong, that they are all fallacious, inasmuch as they assume the rate of exchange in one year, and the prices paid to the Company in another; and that in some of them the prices of Tea in China are stated lower than the Tea could be purchased for, without risking deterioration of quality.

p. 230. p. 268. p. 272. p. 330.
3427. 3420. 3454. 3968.
p. 332.
3989. 4086. 4294.
3461. 3464.
4359.
4360.
4359.

It has at the same time been admitted, that the Company's profit from the trade is very considerable. From a Statement which has been laid before Your Committee, of the profit and loss of the China trade for the last fifteen years, it would appear that the Company's profit upon Imports from China in that period, *including Interest and Insurance*, has aggregated £.15,414,414.; which if the Mercantile instead of the Board's rates of exchange had been observed, would have been encreased to £.16,971,316. This is inclusive of the profit and the loss upon Exports from England, and from India to China, the results of these transactions, according to the Company's mode of computation, as before explained, being accounted for in the prime cost at which the imports from China are valued.

4900. 4903. 5086.
Vide Profit and Loss of the China Trade, ordered to be printed 17 June 1830.
5875.
4359.
4376.

It is said that these profits have afforded to the Company the means not only to pay the dividend upon the East India Stock, and the interest of the Bond Debt, (the latter of which however, it is contended, should not be charged on the commerce of the Company,) but also of materially aiding the finances of the Indian Territory, which are said to be in such a situation as to render that assistance necessary.

4899 to 4903.

Contrary to this view of the case, one Witness has submitted Statements for the purpose of proving, that the profits of the Tea trade to the Company are not sufficient to meet the charges of the dividend on East India Stock, and of the interest on the Bond Debt; and that the deficiency, which he supposes to exist, is supplied by Territorial Revenue, notwithstanding that it appears by the Accounts laid before Parliament, that that revenue has upon the whole, since 1814/15, fallen far short of the Territorial charges.

p. 270. p. 312.
3435. 3704 & seq. 5370.
p. 314.
3770. 5263 & seq. 5278.
5303. 5307.
Papers relating to the Finances of India, February 1830, p. 15.

The ground of this Witness's computation is, that the Company have no Commercial Capital, although it has been stated that the Commercial Assets are calculated to amount to £.21,731,869. the particulars of which are given in one of the Accounts. The same Witness has said, that Interest should be charged as an actual outgoing (and not as a profit) in a statement of the results of the Tea trade to the Company; and he has also said, that the whole of the Insurance should be included in the charges upon the trade; and that a much larger allowance should be made for Wastage than that of two per cent which the Company deduct on that account.

5262. 5337.
4914.
Papers relating to the Finances of India, February 1830, pp. 61 & 62.
5337.
5262. 5359.
4375. 5333 & 5334.

 The

4375. 4913.

The whole of the calculations of this Witness has been controverted upon the ground that if the Interest and Insurance be charged, they must appear again on the credit side of an account professing to show the amount of the funds applicable to the Dividend, and to the Interest upon the Bond Debt, the Legislature having (53d Geo. 3, c. 155, s. 57.) declared that *all the Profits and other receipts* of the Company in England shall be appropriated to those and other specified purposes. Should the interest upon the capital, and the profit of the insurance account be charged and not re-credited, it is affirmed that *all the receipts* would not be appropriated as the above quoted Act directs, and that the Company would be left in possession of those amounts. An official document has also been produced, to show that the Company's expenditure for Allowance and Wastage does not exceed two per cent.

4202

As this part of the subject will fall within the scope of the inquiry which Your Committee are now making into the Company's Finances, they think it unnecessary further to enlarge upon it in this place; contenting themselves with referring the House to the evidence which has been given in elucidation of the discordant statements; and from which it will be seen, that the opinion of the Company's Trade deriving aid from the Territorial Revenue is at variance with that expressed by the Select Committee on Foreign Trade, in 1821, towards the close of their Third Report.

p. 269. p. 312.
3421 & seq. 3764 & seq.
4375 & seq. 4907 & seq.
5178 & seq. 5263 & seq.
5367 & seq.
5275. 5358.

p. 364 & 365.
4294.
p. 229.
1254. 3279. 3469.
1811.
p. 287.
1674 & 1675. 3540.

It has been stated that the price of Tea to the consumer in Great Britain is higher than that at which it is sold on the continent of Europe and in America, after deducting the duty; and although a mere comparison of prices quoted for the several denominations of Tea affords no just criterion, there being various kinds classed under the same denomination, yet examples have been adduced to show that where the quality has been equal, the prices have been higher in England than elsewhere. This is further proved, as respects several of the sorts of Tea, (though not all,) by the prices affixed by the London Tea Brokers to Teas purchased on the continent and in America, by order of the India Board, for the express purpose of making such comparison.

5135.

It would indeed seem that the prices paid to the Company for their Teas must be higher than those at which Tea is sold in other countries; the Company relying, as it appears, upon the profits of the Tea Trade to enable them to fulfil the obligations which Parliament has imposed upon them in their two-fold political and commercial character; while foreigners, on the contrary, have no such obligations.

p. 220. p. 290.
3252. 3568.

5618.

The Revenue to the Crown from Tea is produced by an *ad valorem* duty.

5614 & 5616.

There are numerous prices of the different kinds of Tea, which are ascertained at the Company's sales, so that the duty chargeable in each case is determined without difficulty.

5618.

5603.

The average amount of this revenue is stated to be about £.3,300,000. annually. It is most economically collected by the Company, who pay it over quarterly, a fortnight after they receive it; and the whole of the charge incurred by the Crown for an establishment to check and superintend this branch of the Excise in London, is stated to amount to less than £. 10,000. annually, exclusive of the establishment for superintending the dealers stocks.

5591.

5596.

5604.

TRADE OF THE AMERICANS AND OF OTHER FOREIGNERS WITH CHINA.

THE Russians are said to be excluded from Canton in consequence of the privilege they enjoy of trading with China overland. Of the other European nations, those which have been mentioned as continuing to resort to Canton, are, the French, the Dutch, the Swedes and Danes, and the Austrians; but the trade of all these is comparatively trifling. The most important of them is the Dutch Trade, which used to be conducted by a Company with exclusive privileges, but is now thrown open.

263.

259. 261. 262. 264.
255. 516. 2520.

There is, however, a Netherlands Association, of modern formation, by which the Dutch China Trade is principally conducted, and which appears to have been established with the hope of promoting the sale in China of Belgian Manufactures. In that object the Netherlands Association failed; and its returns in Tea have caused a loss, it is said, of twenty-five per cent on the capital employed. This Association is restricted from exporting British Manufactures to China. Although the Dutch Trade (as before observed) is principally carried on through the Netherlands Association, no such restriction as to British Manufactures is imposed upon Dutch private Traders, who, however, in consequence of heavy losses, occasioned by competition with the Americans, are stated to have in a great measure abandoned the Trade since 1825.

p. 290.
521. 3577.
p. 290.
663. 3573.
p. 292.
3608
p. 289.
3564 & 3565.
p. 290
3570.
1669 & 1670. p. 293. 3627.
p. 294.
3629.
p. 293.
3621 & seq.

This Trade of the Dutch has been carried on in ships of from 400 to 500 tons, and is conducted by resident agents in China, where there are two supercargoes and a consul. It does not appear that of late years the Dutch have experienced any difficulties in the transaction of business at Canton.

p. 292.
3597.
255.
268. 523.

The Americans used to conduct an extensive Carrying Trade from China to Holland and other parts; but this has considerably fallen off, owing to the Dutch and other nations importing direct for their own use. It has been stated, however, that the Americans can still compete with the Dutch in their own market.

325 & seq.
197. 325. 519. 941.
1668. 1745 & 1746.
1820 to 1823.
1667.
198. 330 906. 956 & 957
1823. 3251 & seq.

The aggregate of the American Trade with China has increased since 1814; but latterly there has been a falling off. Their exports consist principally of dollars, which, even since they began to take British manufactures to Canton, have formed two-thirds of the total exported. The imports into America from China are chiefly Teas and manufactured Silks. The latter article is said to yield the best return, though that has not always been the case.

328 & 329.
197.
539. 994. 1025. 1109 1443. 1558. 5647.
Return of Foreign Trade with China, ordered by the Lords to be printed, 11th May 1830.
921. 1027. 1468.
p 219.
1191. 3235.

Their Tea trade was formerly very profitable; but, in consequence of overtrading, encouraged by a system adopted in the United States, of giving to the importers of Tea a year's credit for the duties, it subsequently became a losing one. The American Trade with China seems also to have suffered from the establishment (by authority of the Act of the 5 Geo. IV. cap. 88) of the Trade of the Company from China to Canada, which settlement was previously supplied in a great measure with Tea smuggled from the United States.

1685. 1689. 1747. 3202.
3229. 3411. 3413 & seq.
330. 394. 905. 1054.
1078. 1646. 3252 & seq.
541. 907. 1056.
906–915. 1088.
1746. 1754 & 1755.

That part of the American Trade which relates to India and China, is stated not to labour under greater depression than any other trade of the United States; and opinions have been expressed, that if conducted upon correct principles, and brought within proper limits, the American Trade with China might still be profitable.

1083. 1749 & 1750.
1180 & 1181.
1133. 1748.

3330. 1031. 1037. 1759. 1564. 1910. 964 & 965.

The Americans are said to navigate their ships at a less expense, not only than the Company, but than British Merchants in general. Some of the American vessels are chartered by various persons in shares, each of whom may and often does send a supercargo; but this is not done in all cases. Instances have been mentioned of the transactions of a voyage having been wholly, and without difficulty, managed in China by the commander of the ship; but the more frequent practice is to employ a resident agent, it being thought that the business is better arranged with the Chinese by persons of established confidence, than by strangers.

450. 1734.

The American Consul, at Canton, acts as agent for those who choose to employ him; and there are several American Merchants who reside in China.

1123. 1692 & 1693. 1853. 202. 552. 556. 936. 1728 & seq. 1847.

The Americans are well treated in China. Their Trade is said to be popular there, in consequence of the large importation of dollars; and it has been interrupted only once since 1814. The cause of the interruption was an accidental homicide of a Chinese by an Italian seaman of an American ship. He was given up to the local authorities; by their order he was put to death, and then the trade was resumed.

EFFECTS EXPECTED FROM THE ABOLITION OF THE COMPANY'S EXCLUSIVE PRIVILEGE.

2206 & 2207. 383. 2638. 178. 295. 338. 383. 401. 829. 841. & seq. 2449. 2601. 2638. p. 281. 3499. p. 236. 1886. & seq. 2707. 3526. 332. 353. 355. 874. 883. 3052.

THE opening of the Trade between Great Britain and China, would not, it is thought, cause any alteration in the policy of the Chinese Government towards foreigners, unless the revenue should fall off from an increase of smuggling by free traders, or unless there should be from private disputes more frequent collisions between Europeans and Chinese. In either of these contingencies, apprehensions are entertained that the Trade might be entirely interdicted. But, on the other hand, it is said that such a fatal result would be averted, either by the sense which the Chinese Government entertains of the value of the trade, or by the influence of the population of Canton, and of the Tea districts, which are deeply interested in its continuance. If the Trade were interdicted, Tea, it is thought, might be brought to Sincapore, and other places accessible to the British Traders, in Chinese junks; but such a commerce is stated to be contrary at present to the laws of China; and much doubt is felt, whether, by the means of such insecure vessels as the junks are represented to be, Tea could be obtained in sufficient quantities for the English market.

423. 559. 1153 & seq. 1875. 2684 & 2685. 3346.

It is said that the interest of the Hong Merchants, in a pecuniary point of view, would be promoted by an open trade, as an increase in the number of purchasers of Tea would afford an opportunity for commanding high prices. In spite, however, of such expected advantage, the Hong Merchants, from an apprehension of increased risk and responsibility, are represented to be against any change. On the other hand, it is stated that the Americans and other foreigners, dealing freely as private traders, have not experienced any combination against them on the part of the Hong Merchants.

839. 3043. 3065. 3072. p. 281 3498.

In order to derive advantage from a Free Trade between Great Britain and China, it would be necessary, as some think, that the monopoly of the Hong Merchants should cease, and that a Commercial Treaty, upon mutually liberal principles, should be formed between the two Countries. It is, however, apprehended

apprehended that the Chinese would not be induced to enter into such a treaty by any other than coercive means, and these it is fancied might be easily and successfully used.

3065 & seq. p. 281. 3498.

Many of the Witnesses are strongly impressed with the belief, that a very large increase in the consumption of British Manufactures would be the consequence of opening the Trade. Private Merchants, they say, can push a commerce much better than a Company; and new wants and desires would be created by the never ceasing efforts of individual enterprise and speculation. These Witnesses refer, not only to the fact, of the Americans having of late made Exports of British manufactures to China, but they also refer to the result of opening the Trade with India, followed as that measure unquestionably was by an immense increase in the Exports from this Country.

2146. 2180. 2183. 2184. 2686. 2852. 2922. p. 226. p. 228. p 231. p. 244. p. 318. p. 252. p. 328. 3368. 3395. 3449. 3644. 3810. 3817. 3932.

3095. p. 280. 3494.

In opposition to these views, it is said that the small proportion of the American Exports of British Manufactures, relatively with Bullion, coupled with the fact, that the Officers of the Company's ships, having no freight to pay, have not increased their Exports, ought to be considered as proof that the consumption has not, as yet, been found susceptible of any material augmentation. It is further stated, that a formidable obstacle to the growth of a profitable Export Trade from Great Britain to China, arises from the obligation under which India is placed of annually effecting a large remittance to England, and which remittance is now advantageously made by the Company through the medium of Chinese produce. It is likewise observed, that the extended use of British Manufactures in India has been promoted by fiscal regulations, which the British Government had the power there to make; but which it could not effect in China.

387. 507. 510. 539. 629. 632. 822. 1442 451.

2185. 2507. 2469. p. 245. 3685.

4338. 4892 & seq.

644. 5093.

644. 1498. p. 239. 3570.

With respect to the Price of Tea, it is thought that the first effect of an increased demand in China, consequent upon the opening of the Trade, would be materially to raise the price there; though indeed this effect (unless the Hong should be enabled to dictate prices) might be expected gradually to subside.

1141. 2489. 2798. p. 204. 3045. p 277. 3469.

It is said that the Charges of bringing the Tea to England and selling it, would be much less in a free trade than they are at present, and therefore that Tea would be afforded to the consumer at a lower rate. In answer to this it is remarked, that most of the Company's charges are controlled by law; that these might be reduced if the law were altered; and that what the Company get in shape of profit is necessary with the obligations imposed upon them, to enable them to administer the government of India. According to this view, whatever the consumer of tea might gain by a reduction of the rate of profit to the importer, would either be at a sacrifice to India, not now in a situation to bear it, or must be made up by the people of England; besides which it has been observed, that the ability of the Private Traders to furnish Tea cheaper than the Company, would depend upon the effect which an open Trade might have upon prices at Canton.

2095. 2141.

2167. p. 240. 3584.

4311. 4334. 4372. 4373. 4939. 5099.

5135.

4338. 4898 & seq.

4905 & 4906.

One great advantage expected to result from an open Trade with China, is the facility which it would give to private Merchants to effect returns from India, in which great difficulty is now experienced. It is said that the Company partake largely of this inconvenience, and that owing to the pressure of the demand for the government remittances, it has become necessary to make the China Trade a principal channel of effecting them. Deprived of this channel, India would be obliged to remit through the private trade, by which

p. 278. p. 282. p. 325. 3488. 3505. 3879 & 3880. p. 328. 3932.

4338. 4347. 4897. 5089 & seq.

(should remittances to so large an amount be practicable) a loss would be sustained equal to the difference between the rupee valued at the Board's Rates, and at the current exchange.

4904. If the Trade were opened, the Company would still possess the power of trading with China; and it is thought by some that their capital and influence might enable them to trade more successfully than private Merchants. But it is said that this competition might be mutually injurious, without the Country's being benefited by an extension of her commerce; and that the Company's profits, if they had competitors, would be so reduced as to prevent them from ministering to the financial aid of the Indian Territory.

Your Committee have thus endeavoured to give a fair and impartial Summary of the Evidence on The China Trade which has been brought before them.

Whether this object shall have been faithfully and satisfactorily effected, will appear to The House by a careful perusal and examination of the whole Evidence itself; but it will not fail to be borne in mind, that in the midst of such multifarious and conflicting statements as that Evidence contains, and restrained as Your Committee have been (both by what was expressed in The House, and by their own sense of what, at the present period, would be either prudent or just) to a plain unbiassed narrative of their Proceedings, it has not been in the power of Your Committee to offer such observations and to enter upon such discrimination of the evidence as might be a guide to The House in the decisions hereafter to be made. Your Committee have, on the contrary, done their utmost to guard against the appearance of a leaning on the one side or on the other.

Their Observations, Your Committee have felt, ought not, by any inference of their own, to convey opinions which may have been taken up; but, in the execution of the important duty committed to their charge, while from necessity some valuable information may be left unnoticed, they have studiously endeavoured, by classification and arrangement, to bring the most material parts of the Evidence into view, and thus to facilitate to The House the means of acquiring for itself an accurate knowledge of its real tendency and result.

8 *July* 1830.

SCHEDULE of the ACTS, PAPERS and ACCOUNTS referred to in the preceding REPORT.

ACTS—24 Geo. III. c. 38.—usually called the *Commutation Act.*
53 Geo. III. c. 155.
54 Geo. III. c. 34.
58 Geo. III. c. 83.
5 Geo. IV. c. 88.

MINUTES of EVIDENCE taken before the Select Committee, from the 15th of February to the 3d of June 1830.—N° 514.

PAPERS relative to the TRADE with *India* and *China*; Ordered to be printed the 4th of June 1829.—N° 285.

PAPERS relating to the FINANCES of *India,* and the TRADE of *India* and *China*; Presented by His Majesty's command, February 1830.—N° 22.

REPORT of the SELECT COMMITTEE of the HOUSE of LORDS, relative to the TRADE with the *East Indies* and *China*; Ordered to be printed 7th of May 1821.—N° 476.

THIRD REPORT of the SELECT COMMITTEE of the HOUSE of COMMONS on FOREIGN TRADE; Ordered to be printed 10th of July 1821.—N° 746.

ACCOUNT of the PROFIT and LOSS of the COMPANY'S TEA TRADE with *China,* for the year 1828/29.

RETURN of the FOREIGN TRADE with *China*; Ordered, by THE LORDS, to be printed 11th of May 1830; and

STATEMENT of all the COMMERCIAL RECEIPTS and CHARGES of the COMPANY since 1814/15; delivered to The Committee on the 17th June 1830.

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I.

MINUTES OF EVIDENCE.

15th February to 4th March.

Lunæ, 15° *die Februarii*, 1830.

WILLIAM WARD, ESQUIRE, IN THE CHAIR.

Thomas Gore Lloyd, Esq. Accountant General of the East India Company, and *James Cosmo Melvill*, Esq. Auditor of the East India Company; called in, and Examined.

T. G. Lloyd, Esq. and *J. C. Melvill*, Esq.

15 Feb. 1830.

1. (To *Mr. Melvill.*)—YOU fill the office of Auditor to the East India Company?—I do.

2. Are you auditor of the accounts of the revenue, commercial and political, or of any other department?—Of the whole of the political accounts of India.

3. What do you consider as the political accounts?—The whole of the revenues and charges applicable to the territorial government of India.

4. Do you include in that the revenue of the old settled districts of the ceded and of the conquered or tributary states?—The whole.

5. Are those accounts sent home annually to England?—They are.

6. To what period have the last complete set been received?—Up to the 30th of April 1828; the account of 1827-1828.

7. Have you seen the printed papers submitted to this Committee, signed William Leach, dated the 4th of January 1830?—I saw them, for the first time, late on Saturday afternoon.

8. Do you know whether that account is made up to April 1827, for the year 1826-27?—It professes to be.

9. The Committee are to understand that you have a whole year's accounts at the India House, received after those accounts were made up?—Undoubtedly; which, I believe, the Committee will find contained in a paper communicated from the India House, included in this collection, page 26.

10. Are the Committee to understand that the accounts in Table, No. 1 (A.) are a regular abstract of the revenues and charges under the Bengal presidency?—I have not yet had an opportunity of examining them.

11. Will you state whether detailed accounts of the items from which those accounts are made up are also forwarded?—Undoubtedly.

12. For instance, have you the details of the expense of the Mint?—We have.

13. Does the return show the coinage, the expenses of the establishment, and other matters connected with the department?—It does.

14. You have stated that you have charge of the political; will you have the goodness to state what other departments of accounts come home from India, and who has charge of them?—I am not aware that any other accounts come home, except the commercial accounts, which come into the Company's home accounts, and of which Mr. Lloyd, the accountant-general, has charge.

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15 Feb. 1830.

15. Are the Committee to understand that, with the details of the political accounts, and the details of the commercial accounts, they shall have the whole accounts the India Company possess?—If by political is meant the expenses of the political government, including the civil and military charges.

16. Will you state to the Committee under how many different heads the revenues of Bengal are arranged?—The General department, which comprehends the Mint, Post-office and Stamps; the Judicial department, which merely comprehends a few fees and fines; the Land Revenue department, which comprehends the land revenue; the Customs, which comprehends land and sea customs; the Salt, which comprehends the gross receipts from the sales of salt; the Opium, which comprehends the gross receipts from the sale of opium. There is a new head of account, of the Territories ceded during the present charter on the Nerbuddah; there is, finally, the head of Marine Receipts, which comprehends river dues.

17. In what departments are the revenues of Benares included?—They are included under the several heads I have mentioned to the Committee; the head of Revenue shows how much was received from Benares, how much from the old province, how much from the new; and so of the Customs.

18. Are the Committee to understand that in the accounts you keep at the India House, the profits, if any, of the Benares mint, the receipt, if any, of stamps in that district, would appear as part of the general receipt of the Mint and Stamps?—Undoubtedly, stated separately under that general head.

19. Do you understand what fills up the column here under the head of Benares, where, for instance, for the year 1809–10, the revenue of Benares, is stated at 570,486*l.*, and for the year 1826–27, it is stated at 784,784*l.*; are the Committee to understand that that is the aggregate of the revenue of Benares, and that no portion of it is included in the preceding existing columns?—I should apprehend so; but not having had an opportunity of examining the account, I cannot answer precisely.

20. The Committee are to understand that there are portions of those columns placed precisely under the same classification under which you have just stated the other revenues to be?—Yes.

21. At the India House Benares is kept separate and distinct?—We have the materials for keeping it distinct; they are sent home distinct.

22. There is another column, "Ceded Provinces in Oude;" does that column contain the aggregate of the whole receipts of revenue under every head?—I apprehend the answer I have given as to Benares is applicable to that.

23. And the same with respect to the Conquered Provinces?—Yes.

24. Can you furnish to the Committee details respecting those five departments, Benares, Ceded Provinces of Oude, Conquered Provinces, Ceded Territory on the Nerbuddah, Ceded Provinces in Burmah, under their respective heads, in the same manner as the Committee have the revenue for the old provinces of Bengal?—Undoubtedly.

25. In the accounts of the salt revenue, have you the annual expense of the establishment, the gross and net produce, and prices of sale?—Certainly.

26. With respect to opium, the same details can be furnished?—Yes.

27. Under what head are the sayer or inland duties included?—They come under the head of the land revenue, a separate branch of the land revenue, the sayer or transit duties, and the abkarrie or excise duties on spirits.

28. Does the column marked "Total Revenues," contain the entire gross amount of all those revenues which you have now stated?—I presume it does, if the figures are correct.

29. Is it the practice in India, in paying money out of the revenue, to credit only the actual amount received, or do you bring the receipts for all such payments made into the gross amount?—The gross amount is credited without any deduction whatever, the deductions being carried to the opposite side of the account.

30. Will you state how many departments of audit there are in Calcutta for examining those accounts before they are settled and sent to England?—They are audited by the several Boards and separate functionaries.

31. How many Boards are there, and what are their duties?—There are three Boards; one of Revenue, consisting of three or four members, civil servants; there is a Board of Salt and Opium, consisting of three members, civil servants; and there is a Marine Board, consisting of three civil servants and the master-attendant in Calcutta: each of these Boards has an accountant.

32. Are

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32. Are those Boards entirely separate from each other, so that no members of one are members of another?—The Marine Board is united in a great measure with the Board of Salt and Opium, only that the master-attendant is a member of the Board for Marine purposes.

33. You mean to say that the Salt and Opium Board, joined by the master-attendant, sits as the Marine Board?—Yes. The civil charges are not audited by either of those Boards, but by an officer expressly for that purpose, who is denominated the civil auditor, and who audits also the accounts of the Mint and of the Post-office. The military charges are audited by a separate auditor, under the denomination of the military auditor-general, who is a member of the Military Board.

34. Will you state the constitution of the Military Board?—It is not in my department.

35. Will you state what period elapses after the close of the year before the land revenue is audited and settled?—About ten months. The accounts are closed to the 30th of April in each year, and they should be dispatched about the January or February following. That delay is created by the revenue accounts and military accounts not being intermediately audited.

36. Will you state to what cause the delay that takes place is to be assigned?—The complexity of the accounts, the vast sums they embrace, and the necessity of referring to a great distance.

37. Will you state the time that elapses in the final audit of the other Boards after the closing of the year?—About the same time.

38. Does the auditing at home in your office include any judgment upon the charges, or is it merely passing the accounts as they are passed in India?—It is merely a revision of the accounts; the auditing of the accounts, properly so called, takes place in India.

39. Your office in England is merely recording the transactions of the audit offices in India?—Clearly so; so far as respects the audit branch of business. The duty consists in revising the whole of the Indian books, and seeing that all the orders of the home authorities with respect to the mode of keeping those accounts have been strictly observed.

40. Do you conceive that the system of audit of the accounts in India, and afterwards by re-examination at home, is as good a system as can be established, or that it might be improved?—If I may be permitted to form a judgment, I should say that the system that now prevails in India is a good one; that the accounts are quickly audited, considering the vast sums and the description of the expenditure they embrace.

41. You have stated that the office with which you are connected audits merely the political accounts?—Meaning by that the whole of the territorial revenues and charges; what would be called the government accounts.

42. In what office are the commercial accounts audited?—By Mr. Lloyd, the accountant-general, who is here.

43. Do you mean the accounts in India connected with India, as well as the accounts at home?—I apprehend that the audit of commercial accounts takes place in India; and that what takes place in this country by Mr. Lloyd is very similar to that which takes place in my office in regard to the political accounts.

44. So that the commercial accounts in India are not included in your department?—They are not.

45. They are made up in India, and not in London?—Not in London.

46. Are the salt and opium accounts included in your department?—They are.

47. You consider them purely revenue accounts, and not commercial?—Clearly revenue accounts.

48. Have the goodness to state how the salt comes into the possession of the East India Company?—The Committee will be pleased to understand mine is merely a department of account.

49. In page 6 of the Accounts before the Committee, it appears that in the year 1826–27 the profits of the Government Bank are brought in under the head of Mint; are the profits of the Bank generally brought in under the head of Mint, or is that the only year in which they have been so introduced?—I believe that is the only year in which there are any profits from the Government Bank at Madras, and it is only at Madras that there is purely a Government Bank; those profits had

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accumulated for a long course of years, without being brought to account, and there was an adjustment in that year. I was not aware, until the honourable Member pointed it out, that this item was stated in the Accounts signed William Leach, under the head of Mint.

50. Can you inform the Committee in what manner the salt and opium come into the possession of the Company's authorities in India?—I have not in my department the documents which would furnish the information.

51. With regard to the salt and opium, can you inform the Committee whether, under the head of Revenue, as that including the gross amount, you take the repayment of advances of the year previous which is put together with the charges under the same head?—It is a cash transaction; and these accounts show in one year what has been received in that year, and what has been spent and advanced in that year.

52. Under the head of Revenue you have separately that received as revenue for the salt and opium, and also that received in repayment of advances made in the preceding year?—What is termed advances is money issued to the manufacturer for the purchase of the article, and not intended to be repaid; it is an advance to him on account of his contract.

53. The Committee are not to understand, then, that if you deduct the smaller from the larger sum, that which remains is the exact profit of that year?—No, not of that year.

54. It may be taken running from year to year, as showing the net balance?—Yes.

55. What is comprehended under the head of Marine Revenue?—There are river dues, moorings and pilotage, and lighthouse dues also.

56. Will you state in what manner the military stores, which strictly belong to the political department, which are purchased in England and sent out, are brought into the accounts?—They are included among the territorial charges paid in England.

57. They do not enter into this account at all?—Certainly not.

58. Does the revenue of the Mint include seignorage, or from what does that arise?—There is a duty upon coinage; I presume a seignorage.

59. Are you aware whether any alteration has been made since the Report of the Committee in 1810, in which the statement of the Mint regulations is contained?—I am not aware of any alteration; the business connected with the Mint is in a separate department.

60. Can the Committee obtain an account of the items from which this revenue arises?—Undoubtedly.

61. In the money coined at the Mint on account of the Company, is that charge for seignorage included?—I am not able to answer that question without referring to the detailed accounts.

62. Does that remain as stated in the Report of 1810?—I believe it does; but I must take the liberty of referring the Committee to the department in which the business of the Mint is transacted.

63. Can you state whether the sum credited in each year as profit to the Mint is net profit, or whether there is a charge to be set against it?—There is a large charge on the opposite side of the account.

64. Is the East India Company, in its commercial capacity, charged with a seignorage for the money coined at the India mints?—I apprehend that the Company in its commercial capacity, has no money coined at the Indian mints; in its territorial capacity it has.

65. Is there any seignorage charged in this account of receipts for money coined for the Company generally?—I am not aware; but the honourable Committee may be furnished with the details of the account.

66. Are you aware that any portion of the revenues of Bengal are received in kind?—No, I apprehend not.

William Leach, Esq. Accountant to the Board of Commissioners for the Affairs of India; called in, and Examined.

T. G. Lloyd, Esq. *J. C. Melvill*, Esq. and *Wm. Leach*, Esq. 15 Feb. 1830.

67. WILL you look at that paper that you have in your hand, page 4, under the head of Benares, and state whether you conceive the sums in that column of land revenue, stamps, and every other kind of income received in Benares, are included? —This account has been made up from the accounts presented to Parliament every year, and I suppose it to include all those items. Mr. Melvill, being present, can of course speak to the fact.

68. (*To Mr. Melvill.*)—Do you, in the accounts that you make up for Parliament, include Benares separately?—Yes, I do; and that includes all the heads.

69. (*To Mr. Leach.*)—Have the goodness to state at what exchange you have converted all the rupees into pounds in the Table you have laid before the Committee? —At the exchange used in the Parliamentary Accounts; 2*s.* the current rupee.

70. Are all the accounts of Bengal kept in current rupees, or siccas?—They are kept in siccas. The difference between the current and sicca is 16 per cent; the sicca rupee is 16 per cent better than the current; that is the rate at which the sterling value shown in the accounts before Parliament is calculated.

71. In what rupee are the whole of those accounts of the revenue kept at Calcutta?—In sicca rupees.

72. At what rate do you convert the sicca rupee into current?—By taking the sicca at 16 per cent better than the current rupee at 2*s.*, which makes 2*s.* 3*d.* and $\frac{384}{1000}$ths for the sicca rupee.

73. The process you adopt is first to convert the sicca into current rupees, and then the current rupees into pounds sterling, at the exchange of 2*s.* the current rupee?—Exactly so.

74. Is the exchange you have taken the commercial exchange?—No; it is the exchange that has been in use in the accounts before Parliament for a very long series of years.

75. (*To Mr. Melvill.*)—How do you consider this rate of conversion to be, as compared with the intrinsic value of the sicca rupee?—Do the Committee mean, that in computing the intrinsic value, I am to refer to the standard price of silver at the English Mint?

76. Yes.—Taking the price of silver at the Mint standard in England, of 5*s.* 2*d.* per ounce, the intrinsic value of the sicca rupee is about 2*s.* 0$\frac{1}{2}$*d.*; and by the process adopted in this account, as explained by Mr. Leach, the sicca rupee is made to be worth nearly 2*s.* 4*d.*

77. Are you aware that the present rate of mercantile exchange is only 1*s.* 11*d.* per sicca rupee?—Yes, taking a bill of exchange in India upon London.

78. Have the goodness to state the intrinsic value of the Madras and Bombay rupee?—The Madras accounts, as rendered to Parliament, are stated in India in rupees; those rupees are, in this country, converted into pagodas, at the rate of three and a half rupees for one pagoda; and then the pagoda is converted into sterling, at 8*s.* the pagoda; and at that rate the Madras rupee is made to be worth 2*s.* 3*d.* and $\frac{4085}{10000}$th parts. At the Mint price of silver in England the value of the Madras rupee would be only 1*s.* 11*d.* and $\frac{400}{1000}$th parts. The Bombay accounts are stated in India in rupees; and the rupees in England are converted at the rate of 2*s.* 3*d.* each; the intrinsic value is 1*s.* 11*d.* and $\frac{4085}{10000}$th parts.

79. How are the revenue and other accounts kept at Madras?—In Madras rupees, since the year 1819, when the currency was changed to rupees from pagodas, in which latter coin the accounts were previously kept.

80. Is the rupee, since 1819, of the value you have stated, of 2*s.* 3*d.* and $\frac{4085}{10000}$th parts?—That is the value assumed only, in our English view of the accounts; the real value is 1*s.* 11*d.* and $\frac{400}{1000}$th parts.

81. In what manner are the accounts kept at Bombay?—In rupees.

82. Those rupees are converted at what?—At 2*s.* 3*d.*

83. What is the intrinsic value?—The same as in the former case, assuming the price of silver in England to be 5*s.* 2*d.* an ounce.

84. How are they kept at Benares?—They are kept in Furruckabad rupees, and they are converted at the presidency into Sicca rupees, at four and a half per cent worse than the sicca, which is about the intrinsic difference.

85. In what coin are the accounts of the ceded province of Oude kept?—In the Furruckabad rupees. I rather think that in the whole of the Bengal territories there are only two descriptions of coin used in the accounts, the Furruckabad and the Sicca rupees.

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86. In what manner are the accounts of the Conquered Provinces kept?—In Furruckabad rupees.

87. In what manner are the accounts of Prince of Wales Island kept?—In Sanaut rupees; they were formerly kept in dollars.

88. Are the Committee to understand that in using the term intrinsic value, you are obliged to make use of the rule of the English Mint for the relation between gold and silver?—I took the liberty of asking whether I was to adopt that standard in giving my answers, and I have done so.

89. Is not that rule arbitrary?—I apprehend it is.

90. What would be the average difference in the computation between the real and the supposed value?—About 12 per cent, as far as respects Bengal; but if the Committee take the average of the differences applicable to all the presidencies, about 15 per cent.

91. You have stated two sums as being included in the land revenue; are there any other sums included under the head of land revenue, or is the Committee to understand that the whole of the remainder is really land revenue?—The land revenue merely comprehends two great heads of account, the land revenue, and the sayer and abkarrie; the sayer is still preserved in the accounts.

92. Under the head of Charges under the Bengal government, how many heads of account are there?—There are the same heads of account as there are on the receipt side, and there are some additional; there are the military charges under a separate head.

93. Does the head called Civil come under the general department?—Yes, it does.

94. In the charges are the articles of machinery for the Mint that have been sent out from England included?—Yes, undoubtedly; I apprehend that they are not included under the column referred to, but would come under the head of Territorial Stores.

95. In the column of Charges, where 47,426 *l.* appear as expended in the year 1826–27, does the machinery come in that account?—No, certainly not under that column.

96. Will the freight and insurance, and all the expenses attending them, come under the head of Buildings and Fortifications?—If the Committee refer to the expenses which have been incurred in building the new Mint, undoubtedly under the head of Buildings; but if they refer to the expense of machinery, that will come under the Territorial Charges paid in England, which will include the freight and all the expenses.

97. Are the Committee to understand that, under the head of Buildings and Fortifications, there is no distinction drawn between military buildings and civil buildings?—The accounts distinguish the military from the civil buildings.

98. Under this head of Mint, 47,000 *l.*, what is included?—The whole expense of the establishment, salaries, and loss on refining and melting, and charges of that description.

99. All the European and native servants employed in the Mint are there included?—Yes.

100. There appears to be a great increase in the charges of the Mint during the latter years of this account as compared with the former; can you give a reason for that increase?—I apprehend there has been a great increase of business in the latter years in the Mint.

101. The next item is the Post-office, where there is an increase of 50,000 *l.*?—I would explain, with reference to that increase, that it principally arose from a transfer from the charges of Political Residents to the head of "Post-office," of the expense of what is called the Political dauks.

102. Do you know whether the Company is charged postage in its commercial department in this account?—I am not aware.

103. The third column is Civil Charges; will you have the goodness to explain them. They appear in 1809–10 to be 600,740 *l.* and in the year 1826–7 they appear to be 1,321,824 *l.* Explain under what head the several sums included under this word "civil" come?—One of the principal items is the whole of the charge of the political residences and embassies to native courts. Another principal item is the whole of the expense of public offices and establishments at the presidency, including the salaries of the Governor General, and the members of council. Another principal head of expense is the Nizamut stipends, and other allowances, which we are bound by treaty to pay. There is another principal head, the Provincial Battalions.

104. Is

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104. Is the police of Calcutta included?—All the provincial and Calcutta battalions are included.

105. Are the irregular cavalry included in that?—No.

106. Are the expenses attending the journies of the Commander-in-chief and the Governor General included in this?—They are included in another head of charges, the Durbar charges, which is also comprehended in these civil charges, which likewise include subsidy to the king of Persia.

107. Does that include embassies sent from the other presidences as well as from Calcutta?—Yes, all the political residences are comprised in the Bengal accounts, and all the embassies.

108. No part of the charges connected with the collection of the revenue are here included?—The revenue charges are not included in the civil charges.

109. Under what head does the expense of the College come?—That comes also under the civil charges. The contributions to public institutions are all included.

110. In reference to the column of Land Revenue, can you give the information whether that is a revenue collected in money, or collected in kind?—In money. There is no revenue paid in kind in Bengal.

111. The Stamps appear to have been in 1809–10, 9,555 *l.*; and in the year 1826–7, 67,766 *l.* What kind of stamps, or what items are comprehended under that?—Salaries and establishment, and paper and all incidental expenses.

112. Does that include any thing for the machinery used in stamping?—No, I apprehend not.

113. Are you aware that the charge upon the stamps amounts to full 30 per cent?—I recollect some alteration in the mode of keeping the stamp accounts; and I believe that a portion of that charge is an allowance in commutation of fees formerly levied on the institution of suits. There was an account to that effect laid before Parliament some time ago, and that account may be continued. I believe the charge of collection of stamp duties to be about 15 per cent.

114. Would it be practicable to furnish an account of the expense of the percentage of collecting all the revenue in detail?—Clearly so.

115. Can you account for the very great increase of the revenue on stamps for the last three years of this account?—There has been an extension of stamp duty to Calcutta.

116. Can you account why in the year 1826–7 the receipt was 219,607 *l.*, and the estimated receipt for 1827–8 is 254,435 *l.*, being a difference of about 30,000 *l.*?—I suppose that to have been in consequence of the new system having been only in partial operation in the year 1826–7, and it being supposed it would come into complete operation in 1827–8.

117. Under what head are the charges for collecting the land revenue?—Under the head of Revenue.

118. Is that exclusively the charge of land revenue, or does it include charges on any other revenue?—It includes other sums that would not be properly considered the expenses of collecting the revenue; many stipends to rajahs and other persons.

119. There is only one class of stipends included under civil?—Only the Nizamut.

120. Can you give any reason to the Committee for the increase of charge upon the collection of the revenue, being from 1809–10 to 1826–7 in the proportion of nearly one third, and the increase of revenue collected being only about in the proportion of one ninth?—A good deal of the increase has been caused by new territory, which has lately come into the Company's possession; undoubtedly the charge of collecting revenue on new territory is greater than on old territory; but without examining the details I cannot state farther.

121. You were understood to state, that under the head the Committee are now considering, the Benares and the Ceded and Conquered Provinces were not included, that they had all their separate heads in another account?—I understood the Committee to refer only to charges of collecting on the old territory; respecting which it is impossible to explain the cause of the increase without looking into the particulars of the account.

122. What items are contained within the column "Supreme Court and Law," 56,917 *l.* in the year 1809–10, and 54,239 *l.* in the year 1826–7?—The charge of the King's Courts.

123. Does it include all payments of every kind; pensions, if there are any, connected with the Supreme Court?—Yes, it does; excepting only such portions as are paid in England.

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124. And there is no charge on account of the Supreme Court in any other department?—No, there is not, with the beforementioned exceptions.

125. Does it include payments made in England?—No; they are brought into account at home, and charged in that shape to India.

126. The next is the head of "Sudder and Zillah Courts;" does that include the expense within Bengal, Behar and Orissa, or any other district?—It includes only Bengal, Behar and Orissa, as far as I can judge from reference to the account at the moment.

127. It is observable in the accounts as they stand, that on the Revenue side and on the Charge side the revenue and charge of the Ceded Provinces and Conquered Provinces are given in gross; can accounts in detail be given of both those?—Yes, clearly.

128. Can you account at all for the expense of the collection of the duties of customs having increased so prodigiously. It appearing that in 1809–10 it was 10*l.* per cent, whereas in 1826–7 it was 20*l.* per cent?—I have no doubt it is susceptible of explanation; but I have not the materials at present before me.

129. Can you furnish the Committee with an account of the outstanding arrears and balances of the land revenue at the time of making up the account?—Yes, certainly.

130. Can you inform the Committee whether the "Customs" include the charges of customs on goods imported on account of the East India Company into Calcutta?—Yes, undoubtedly. The Company, in its commercial character, pays the same duties upon imports and exports as are charged to individual merchants.

131. Do their stores pay duty?—Not their political or military stores; all Company's merchandize pays a duty..

132. Are all the charges upon the entrance of articles of consumption into Calcutta included under the head of this charge of Customs?—Yes, they are.

133. Are the Company's salt and other things, when imported into Calcutta, entered?—Yes.

134. The next head is "Revenue;" will you state what are the items that come under the charges of revenue?—The charges of collecting the revenue, including the salaries of the members of the Boards of Revenue; the charges of the collectors in the various districts; there are also charges denominated Pulbundy charges; there is the charge of Revenue surveys; I am not aware at this moment of any other except pensions.

135. Are the expenses of those that are sent to assist the collectors included?—In the charges of the collectors are included the cost of their establishments, as well as their own allowances.

136. With the Subrundy corps?—No, they are not included in the revenue charges, which however comprise pensions of a very considerable amount chargeable on the revenue, being stipends to natives.

137. Are there any charges on account of education here?—No; the pensions are a very material item.

138. Is there any expense attending the abkarrie or license system?—There is a charge for collecting.

139. Under the next column of "Charges of Ceded Provinces," what is included?—The charge for collecting the land revenue, and other receipts, from the new territory on the Nerbuddah.

140. Under the head of Military Charges there is the amount of three millions and a half in 1809, and five millions and a half in 1826; are those confined entirely to the pay of the military, or what is included?—All military expenses of every description; all war charges; the charge of stores bought in India, but not that of stores purchased in England.

141. Do fortifications built come under that head?—No.

142. Have you the means of distinguishing the ordinary from the extraordinary military expenses, and of separating the expenses which have been incurred in the wars which have taken place in the period of those accounts, from the ordinary expenses of the military establishment?—In a considerable degree; but I should fear not altogether.

143. What comes under the head of "Marine Charges?"—The whole of the Master attendant's establishment, and the whole of the Pilots' establishment.

144. Are all buildings connected with the marine included here?—The buildings are altogether a separate head.

145. The only other item is "Interest on Debts;" does that include all debts payable

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payable with interest?—All interest that is payable on the Indian debt, whether that interest be payable in India or in England.

146. What change has there been in the rate of interest paid in India?—In 1809 it was eight per cent; in 1814, six per cent; and 1828, it is five per cent; that is the average rate.

147. By whose authority would it be that the increase of debt upon the territorial revenues accrued would be transferred; for instance, supposing there was a defalcation on the general account to a considerable amount, in any given year, would it be by the authority solely of the Company themselves that they would transfer that as a debt to the territorial revenue?—The plan for the separation of the accounts has been framed in obedience to a Parliamentary enactment, and has been approved by the Board of Commissioners for the Affairs of India, and has been laid before Parliament. I refer to the last Charter Act. By that Act the Home expenses were divided, and instructions were given to the several Presidencies, who framed the accounts on the same principle; and those have been approved by the Commissioners under that Act.

148. In your opinion, does that separation, which is directed by Act of Parliament, give a fair means of really judging of the result of the Company's trading as merchants?—With one important exception. The plan provides that the rates of exchange which have been to-day mentioned, with reference to the territorial accounts, shall be observed in that separation; and the effect of observing those rates is, that the Commerce pays very largely, and the Territory gains very largely. Perhaps I ought to explain to the Committee, that the operation is simply this: the Commerce disburses in England for the Territory, in military pay and allowances to King's and Company's officers in England, in the purchase of political stores, and in various territorial charges, amounting, on an average, to about three millions sterling annually. The Act of Parliament provides that the Territory shall issue in India, for the purposes of commerce, an equivalent to the sums so issued in England; and the plan of separation directs that the Commerce shall be repaid its issues made in England, at the rates which have been mentioned.

149. Has any estimate been made of the extent of the injury that the Company suffer in their commercial capacity under that arrangement?—I believe it has; Mr. Lloyd has, I believe, prepared such an estimate.

150. (*To Mr. Lloyd.*)—Can you furnish the Committee with an estimate, which you consider to be correct, of what the Company suffer in their commercial capacity under that regulation with respect to the exchange?—Yes, I can, up to the year 1829.

151. Do you consider that with the exception of that circumstance which you have mentioned, the separation between the political and commercial character of the Company is fairly stated in the accounts?—With that exception I am certainly of that opinion.

152. And that if they were different interests, one acting as sovereigns, and the other acting as merchants, the accounts would show clearly what has been the result in the one capacity and the other?—Exactly so.

153. Would you be able to produce an account upon any particular investment from India to England, and also from India to China, stating the amount at which that investment was laid in, and the actual receipts obtained upon that investment?—Yes, I have no doubt I could.

154. Is there any capital belonging to the Company in their capacity as a commercial company, with which they trade?—I apprehend that their commercial assets constitute their commercial capital.

155. There is no disposable capital in the shape of money for the purchase of those investments?—We have disposable money, cash being one of the assets.

156. Is it not the usual custom to draw on the territorial possessions of India for such investments?—Certainly not.

157. Do any charges of any kind connected with commerce for providing the investments appear at all?—Not in the territorial; they are stated in the commercial account.

158. Are the Committee to understand, that on no occasion the investments of the Company, as a commercial company, have been made through the medium of the territorial revenues in India?—Since the year 1814, when the accounts were directed by the Act passed in 1813 to be kept under the heads of Territorial and Commercial, there has been a running account between the Territory and Commerce; the Commerce has paid for every thing they have received from India, and there is now

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a balance of upwards of 5,000,000 *l.* sterling due from the Territory to the Commerce.

159. Can you give the Committee an account of the trade of the Company to India, and the trade of the Company to China; the trade of the Company between India and China distinct, with the result of each description of trade?—We can.

160. Up to what period can that be furnished?—As far as regards the Home accounts, up to May 1829; the Foreign accounts, as far as the books have been received; I think we have not received the books of 1827–8.

161. If Commerce now stands creditor to Territory 5,000,000 *l.* and upwards, will not the manner in which the repayment of those advances have been valued, as stated before, nearly double the amount?—I have no doubt it will exceed the proportion that the Committee have stated. I think, from some papers I have been preparing, the additional claim upon the Territory, if I use the mercantile rate of exchange in England for bills upon India, would be 7,000,000 *l.* sterling in addition to the 5,000,000 *l.*

162. When you talk of commerce, do you include the China trade?—The China trade is part of our commercial concern, certainly.

163. (*To Mr. Melvill.*)—Can you inform the Committee of the reason of the extraordinary increase in the department of the Marine; in 1809–10 it was 75,147 *l.* and in 1827–8 the estimate was to the amount of 239,273 *l.*?—Much of the increase is attributable to the estimate having included charges connected with the Burmese war; and there was also brought into the estimate the cost of a steam vessel.

164. Still the increase was much more than doubled in the year previous to the Burmese war?—Yes; but I think that many of the accounts of that expenditure were unadjusted.

165. (*To Mr. Lloyd.*)—Can you state as to the creditors of this large debt of the East India Company, what proportion is held in Europe and what in India?—I can furnish the Committee with a statement of a former Accountant-General in Bengal, in which he stated the proportion held by natives and the proportion held by European residents in India.

166. Are there accounts at the India House which will show an estimate of the reductions which it is understood are now going on in India?—(*Mr. Melvill.*)—Certain statements have been received from India, showing the progress of those reductions; and the Court of Directors have ordered very extensive reductions, which are now in progress; the nature of those may be stated.

Jovis, 18° *die Februarii*, 1830.

Charles Marjoribanks, Esquire, called in; and Examined.

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167. YOU are a servant of the East India Company in their China Factory?—I am.

168. How many years have you been in the Company's service?—I have been 17 years in the service of the East India Company; the greater part of that time resident in China.

169. In that situation you had an opportunity of making yourself master of the mode in which the trade between China and England is conducted?—I have had opportunities of acquiring information upon this subject.

170. Is the foreign trade of China confined to one port alone?—It is so at present. The Spaniards still enjoy the right of trade to the port of Amoy, in the province of Fokien; but I believe it to be merely a nominal privilege, inasmuch as they seldom avail themselves of it. The foreign trade was in former years open to other parts of the empire, to Chusan, Limpo and the island of Formosa, from which ports foreigners were gradually excluded by the enactments and oppressions of the Chinese government; but foreign trade is now entirely confined to the port of Canton.

171. Is that trade carried on by many persons, or under what peculiar circumstances is the trade with China carried on?—The legal trade with China, as far as the Chinese is concerned, is carried on by a body of men called Hong merchants, at present seven in number.

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172. Those Hong merchants therefore may be considered as enjoying a monopoly of the China trade?—They enjoy the monopoly of the legal trade as it is at present carried on, and are the only persons permitted by the Chinese laws and government to conduct trade with foreigners.

173. Do you consider that the present system of carrying on the trade is advantageous to China?—I conceive very great advantages result to China generally from foreign trade. The Chinese government has invariably, from the first periods of our intercourse with them down to the present period, professed to hold it in contempt; but I believe they are well aware that very great advantages result to the empire generally from the foreign trade. I do not believe that any large sum is paid into the Imperial Exchequer at Pekin in the shape of government revenue; I have heard that sum differently estimated, but I have seldom heard it stated to exceed two millions of dollars from the whole foreign trade; I have heard it so stated upon Chinese authority, which is always more or less a questionable authority; but I believe great advantages result to the country generally from the foreign trade, from the encouragement which it gives to native industry, from the numerous natives employed in different ways in the transactions of foreign commerce, and from the very flourishing state of the southern provinces of the empire, among which I include the Tea provinces, which owe their prosperous condition very materially to the foreign trade. I believe the appointments of the government offices at Canton are considered amongst the best in the empire; the Chinese themselves, in speaking of an appointment at Canton, call it quaintly *promoting* to Canton, considering it a promotion from most of the other government situations in the empire. It affords to the government officers numerous opportunities of realizing fortunes, which they have not always the means of enjoying, from the insecurity of property.

174. Has any change taken place in the trade within your recollection?—Yes, very considerable changes have taken place in the foreign trade generally. One of the greatest changes which has taken place, and which, in my own opinion, will sooner or later affect the security of our trade, is the enormous extent of the smuggling trade now carried on in China, amongst the islands in the mouth of the Canton river, to a very great extent indeed; so much so, that if the Chinese government had the inclination, I do not imagine they possess the means of putting it down, at least by any marine force which they have. That trade has originated very much in the opium trade, which used formerly to be carried on at the port of Macao, which was then principally in the hands of the Portuguese; but by their enactments, which prevented other foreigners from engaging in it except naturalized Portuguese subjects, which enactments were principally passed with a view of excluding British merchants from any participation in its advantages, the opium trade was forced to Whampoa, which may be considered the port of Canton: there it was met by counteracting prohibitions and exactions of the Chinese government. It was then compelled to seek refuge amongst the islands in the mouth of the Canton river, where it is now carried on to a very great extent; indeed, not only in opium, but in articles of every description. Great apprehensions have arisen on the part of the persons connected with the Chinese government, of the deficiencies which are likely to arise in their legal duties, as well as in the profits of the situations of the Government officers in Canton, if the trade is permitted to increase in the manner in which it shows a disposition to do at present. Such is the corrupt nature of the government, that the lower custom-house officers, who are appointed to put down smuggling, are frequently the persons by whose instrumentality it is carried on. There are other changes which have taken place in China during the period of my residence. I think the condition of British subjects in China, with reference to their relations with the Chinese government, has very materially improved within my recollection, and the Company's trade in tea has increased considerably.

175. Has the situation of British residents in China been improved or otherwise, or their commercial interest promoted by the last embassy to Pekin?—I think our situation has very materially improved; inasmuch as a very favourable impression was made upon the minds of the Chinese government, and indeed of the people generally, by the late embassy to Pekin, which arose very much out of the principles upon which that embassy was conducted—principles which I have always considered as the most conducive to the Company's interests in China—namely, great conciliation in all intercourse with government, but at the same time perfect firmness and decision in all material points which involved either the national character there, or the interests of our commerce; and our national reputation and commercial

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interests have ever had a near and intimate connection. I have always seen in China, that what has proved injurious to our national reputation, has had an equally injurious effect upon our commercial interests: I believe it will continue to remain so. I conceive that our character has been raised in public estimation in China by the conduct of Lord Amherst's embassy; and I believe the resistance which Lord Amherst made to the requisitions of the Chinese government, which involved on the part of the foreigners the most humiliating compliances, has raised, at least preserved unimpaired, the British character in China. It is in the very nature of an arbitrary government to trample on abject submission, and to have its appetite increased by the very means which are adopted for its gratification. By a subservient course of conduct we should only have incurred degradation, without the shadow of an equivalent. In former years I am not prepared to say it was the case, but since I have known China, the representatives of the Company have endeavoured as much as possible to proceed in such a manner in their intercourse with the government and people of the country, as not to sacrifice national character for the acquirement of a temporary advantage.

176. Do you consider the Company's representatives in China to possess a superior influence over other foreigners?—Certainly I do.

177. From what cause?—From the great magnitude of their trade, as well as from the superior importance which attaches to British residents in China, as in most parts of the world. A knowledge of the Company's power and influence in India certainly contributes to the influence which their representatives possess with the government of China—an influence which perhaps increases the jealousy and apprehension of the government; while it does so, it increases their anxiety to remain on good terms with us. When I speak of British residents, I mean in any part of the world I have been in, I have generally seen British residents fully more respected than those of any other countries, and I think that enters into the causes which produce the estimation in which we are held in China.

178. What general effect, in your opinion, would be produced in China by the opening of the trade to China generally to British ships?—I consider that every increased number of British ships which resort to Canton more than is necessary for the trade, tend to endanger the security of the trade. I mean to say, that every increased resort of British subjects to Canton, by bringing them more into possible collision with the Chinese than they at present are under the existing system, would tend to endanger the security of that trade. I think a number of individuals would resort from this country who would enter into very active competition with each other in the markets of Canton, and that that individual competition would have a tendency to induce them to undersell each other in imports, and to give higher prices for the productions of China than are now given by the East India Company. As the trade at present exists, the Company enter as an individual purchaser into the market, and have a very great control in consequence over the markets of China, which I do not think individuals would possess; I think it would be very difficult, in the restricted limits to which foreigners are generally confined in Canton, for British subjects generally to be admitted there; I think it would be found too small for their active competition, and that they would not submit to the required restrictions. I am of opinion that one of the immediate effects of an open trade to China would be to raise the prices of tea in the Canton market, which have remained for many years fixed, by the power of the Company enabling them to resist any attempts which have been made to raise them. I think also that the opening of the trade would very much endanger its security, by the increase which would take place in the foreign smuggling trade; and I think its general effect would be to lower the English character in the estimation of the Chinese.

179. Have you any means of knowing whether the Chinese authorities and the Hong merchants have formed any opinion of the advantage or otherwise to them of an open trade?—The government have at all times objected to innovation of any kind; and they have been so long accustomed to the manner in which the trade has been conducted, and to the regular system which they have been enabled to establish, that I think they would very unwillingly exchange it for any other. I have been told by the Chinese, with whom I have conversed, that the officers connected with the government, upon hearing that changes were in contemplation, expressed themselves inimical to such changes. The Hong merchants themselves, at least the wealthier part of them, are decidedly against any change which would subvert the system on which the Company's trade is conducted. Howqua, the senior Hong merchant, speaking in reference to the subject, said, he looked with dread and

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apprehension at an increased number of British ships; which implies an increased resort of British subjects arriving at Canton. I believe the Chinese to be perfectly satisfied with the extreme regularity with which the Company's affairs are conducted, as well as with the good faith which is uniformly preserved by the Factory in their several transactions.

180. Do you think that any increased consumption of British manufactured articles would take place if the trade was more open to China than it now is?—I am not disposed to think so; and my reasons for not thinking so, are, that I have known the Chinese markets of late years frequently filled with English manufactures upon which prime cost could not be realized. I have known several investments imported by Americans and others, which have sold at a very considerable discount; and I know that the Company have for many years, and in former times, sustained very great losses indeed upon the import trade into China from England.

181. Will you explain to the Committee the mode in which the supercargoes buy and sell generally for the Company in China?—Our dealings take place directly with the Hong merchants, who come to the Factory. We partly hear from them the state of the markets generally, and we ascertain from other sources the state of those markets. All the transactions of the Company's servants are confined to the Hong merchants. Indeed the Company is the only legal trader in relation to the Chinese laws at present in China. I mean that all other foreigners are more or less connected with the illicit trade.

182. Are measures constantly taken for the increase of the consumption of British manufactures in China by the Company?—Since I have been acquainted with China, and on reference to the records of the Company, I have found that the subject more than any other which the Company's authorities in this country have urged on their servants in China has been, that they should use every endeavour to extend the consumption of British manufactures in China. I believe that anxiety has not been found wanting on the part of the Company's representatives in China, both from a wish to maintain credit in the estimation of their employers, as well as from a desire to promote the general interests of British manufacturers. If selfish interests can be supposed to enter into the arrangement at all, of course our commissions would increase with increasing extent of sale. The greater the sale the greater our profits. But I believe the anxiety of the Factory to promote the consumption of British manufactures in China originates in superior motives to any arising out of mere selfish considerations.

183. What do you consider the impediments to a great extension of trade?—The limits which the Chinese have set to the foreign trade; their confining it to one remote corner of one of the southern provinces of the empire. The articles which we import into China are carried to the northern provinces through the interior of the country. The Chinese have every facility of internal intercourse by navigable rivers and canals; but such a system is to a certain extent expensive. I conceive also the Chinese to have arrived at a very great perfection in their own manufactures, some of which are superior to our own, and existed many hundred years before we manufactured at all: perhaps their manufactures have not advanced in excellence for many hundred years.

184. What articles are imported into China in the shape of raw materials in the ships of the Company generally, and by private persons, from India?—The great import of raw material into China in the ships of the Company from India is cotton from the Presidencies of Bombay and Bengal, and a small portion from Madras; there are pepper and betel nut, and rattans, and articles of that description, which the Company of later years have left entirely to their officers, and is a part of the trade carried on by country ships. The country trade now in China forms, I conceive, a very important branch of the British trade, both from its extent, and from the profits which arise to the persons engaged in it. It is a trade which I believe the Company's authorities in China have shown every disposition to give every assistance to. They never considered that commerce at variance with that of the Company.

185. Generally speaking, have the Company's representatives encouraged to the utmost the import of the raw material?—Yes, they have done all in their power to promote it.

186. Will you explain to the Committee the mode in which the teas are bought for the Company, and how they are examined as to their quality, and their prices arranged?—The most considerable portion of the Company's tea investment is contracted for by the Company with the Hong merchants, in the season previously to that in which the teas are delivered to them. The Hong merchants enter into

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engagements with the tea merchants, and make to them advances upon those contracts. The tea when it is brought to Canton is submitted to the inspection of the Company's inspectors there, and indeed is subjected to every scrutiny which is supposed to be desirable to ascertain its quality. The Company have, I believe I may say, every leaf of black tea at their option; I mean every parcel of black tea of any value is first offered to the Company, and is submitted to their inspection previously to its reception.

187. Have they an equal advantage in respect to green teas?—We experience competition with the Americans in respect to some of the classes of green teas, and they frequently give higher prices for those green teas than the Company's standard prices. The tea brokers themselves, I mean the green-tea merchants, who deliver their teas to the Hong merchants, are a body of men consisting very nearly of 400. They are men of very small capital indeed; the advances are very much made to them from merchants in Canton. Those persons always show a greater wish to deal with the Company than with individual merchants, from the obvious reason that they consider them a more secure and regular customer, a better customer and a better paymaster.

188. The large amount, therefore, of the Company's trade gives to their agents in China great influence with the Hong merchants?—Unquestionably, and with all the government authorities in any way connected with the foreign trade.

189. Has not this influence been very beneficial to the whole foreign trade of the port?—I conceive the Company's trade to be very beneficial to the foreign trade generally. It has formed a sort of breakwater to that trade; having prevented innovations of the Chinese government, which they are always sufficiently disposed to make upon such privileges as we possess; and having prevented several attempts which have been made to raise the prices of teas, and to levy exactions upon the trade. In some instances, though the trade in China, as far as regards the Chinese, is a monopoly at present, yet the government has endeavoured to make it a still closer monopoly, what they call a Co-Hong, which was to consist of two or three merchants. The prices of imports and exports were to be fixed by the Chinese government, and that those Chinese merchants were merely to be the agents of the government. This, upon one occasion, was not only attempted by the local government at Canton, but it was confirmed by an imperial edict from Pekin, directing it to take place. The Company saw the danger which would arise from so closely restricted a system, and that we should be in the hands of the despots of the country, very much in the same way as we are in those of the Siamese and the Cochin Chinese, when we attempt to trade with them at present, and they resisted that innovation. The Company's power and influence in China, and their being able to make great pecuniary sacrifices in consequence of delays which took place, enabled them to become successful, and to prevent that attempt of the Canton government to make it a perfectly close and restricted government monopoly, though it was sanctioned by the Emperor's commands from Pekin. I conceive that was one very important occasion on which the Company have prevented, by their power and influence, an innovation upon trade, which must have proved destructive of profits, not only to themselves but to the foreign trade generally.

190. When did that take place?—1814 was the year in which the discussions commenced; and the previous year the measure had been taken by the government.

191. You stated that the Company resisted; in what way was the resistance evinced?—This attempt to establish a Co-Hong has been made on more than on one occasion; but the occasion to which I particularly allude was during my own residence in the country, in 1814, when an attempt was made to break the junior Hong merchants, and sundry other attempts which I need not detail, because they are upon the Company's records, to destroy the advantages we had in our commerce with China. The select committee then came to the determination of stopping the trade, and intimated to the Chinese government that, under such circumstances, all amicable relations between the two countries must terminate. This gave rise to discussions, which continued for several months, involving great losses to individuals, and very considerable inconvenience and loss to the Company; but the result was eminently successful. The junior Hong merchants remained as they were, and the Imperial edict was not carried into effect. I conceive that the Company have been generally useful to foreigners, in gradually doing away a number of exactions. When our ships first went to China they were compelled to submit to numerous inconveniences. The guns were taken out of the ships; the rudders unhung, and they were placed entirely in subjection to the Chinese

government; and it was in consequence of the opposition to those exactions that the government were induced to do away with them. Upon all those occasions, I think, when the Company have fought their own battle, they have at the same time fought the battle of the trade in general.

192. Have not the supercargoes occasion frequently to address the Viceroy or other authorities upon subjects connected with the British trade?—Frequently; though of late years, perhaps, they have been more infrequent, because their situation with reference to the government has been much improved. Of late years we have been left much more unmolested than I recollect the trade to have been in 1813, and years immediately following.

193. In what language are petitions allowed to be presented?—It has been a regulation, as applicable to foreign trade, established by the Chinese government, that all addresses to them should be written in the European character. That regulation was made by the government, from a wish to place what construction they pleased upon the addresses which were made to them. In former years that was the case, and at present it exists in every case, except in that of the Company. The Company's representatives are the only persons in China who possess the right, a right acknowledged by the government, of addressing them in the language of China.

194. Is there a knowledge of the Chinese language among the members of the Factory?—Very many of the members of the Factory speak the language of China. Every encouragement has been given to them to acquire a knowledge of it by the Company, in holding forward prospects of certain pecuniary rewards, as well as of approbation of their conduct: In addition, some men possess anxiety for literary reputation; but I conceive, a knowledge of the peculiar language of China to have been more materially promoted by Dr. Morrison than by any other individual whom I have ever known in China. He has been interpreter in the Company's employ now for upwards of 20 years; and the great knowledge he has acquired of the Chinese language has enabled him to be eminently successful, not only on the occasion of the last embassy to Pekin, but on numerous others which are almost daily occurring with the Chinese. He speaks the language almost as fluently as he does English. I believe one of the largest sums which has ever been expended upon the publication of a work, has been by the Company, in the publication of Dr. Morrison's Chinese Dictionary, which eminently facilitates the acquisition of the language. I think the expense of the Company in that work could not have been less than 12,000 *l.* sterling; and that dictionary is at this moment employed by the Japanese as a medium of translation into their own language. The colloquial language of Japan is different from the Chinese, but they use the same character.

195. Does Dr. Morrison still receive a salary from the Company?—He is their interpreter. I mention Dr. Morrison's name, because I think him eminently conspicuous as a Chinese scholar; and I think the advantages which have resulted from his services have been very great indeed. He went out as a missionary upon his own account at first, with a view to the objects of his mission, which I believe have not been very successful.

196. Are there any foreigners resident in China, as far as you know, who are masters of the language?—There are none of the foreign residents in China who possess any knowledge of the language, if I except the Portuguese padrés at Macao. I am not acquainted with any foreigner at this moment at Canton who possesses a knowledge of the language, except persons connected with the Factory. The resident merchants certainly have not; it is not their business; they go there for commercial purposes; and it is a language which requires almost the devotion of a life to acquire any useful knowledge of it.

197. Have you any means of knowing whether the American trade in China has increased or decreased of late years?—Within the last two or three years the trade has very materially decreased. I have an abstract of the American imports and exports; it is taken from American sources of information; and from this I find in 1825–6 the Americans had 42 ships in China, and that the amount of their imports was 7,700,000 dollars, and their exports 8,900,000 dollars; in 1826–27 the number of the ships was reduced to 26, the amount of their imports was 3,800,000 dollars, and their exports 4,300,000 dollars; in 1827–28 the number of American ships in China was only 20, being less by half than what it had been in 1825–26; in that year the amount of their imports was 6,200,000 dollars, and the amount of the exports 6,000,000; and when I left China in December 1828–29, there had only arrived in China 12 vessels. I have received no later

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account of the amount of the American trade, nor to my knowledge is there any in this country; but this exhibits within the last few years a very remarkable falling off in the amount of the American trade to China. I may mention as confirmatory of that fact, that Mr. Edward Thompson, of Philadelphia, who is the largest ship-owner I have known in the American trade connected with China, who had five or six vessels in China, in his deposition which was laid before Congress, explanatory of the deficiency in his payment of duties, stated that he had engaged in the Chinese trade with five or six vessels, with a capital of 800,000 dollars, as applicable to that trade, and that he had himself, as an individual trader, paid a larger sum to the American government in the shape of duties than he believed any other individual; I think he stated 14,000,000 of dollars, and at that moment he said he was a bankrupt. I mention him as being the largest American ship-owner I have known as connected with the China trade. The result of the information which I have derived from the American agents themselves resident in China certainly has been unfavourable to the profits of their trade generally; some of the American agents have realized money by dealing in opium and by other means, but I believe those that have engaged in commerce between China and the United States, and in later years between China and Foreign Europe, have not been at all successful; in some instances very much the reverse. This estimate exhibits a statement of the American trade from 1804–5 till 1827–28; it was copied principally from the book of an American resident in Canton, but it was derived entirely from American sources, and therefore I imagine it to be correct.

[*The witness delivered in the statement, which was read, as follows:*]

ESTIMATE of the Total Amount and Value of the American Exports and Imports.

Seasons.	No of Ships.	Imports.	Exports.
		Dollars.	*Dollars.*
1804–1805 -	34	3,555,818	3,842,000
1805–1806 -	42	5,326,358	5,127,000
1806–1807 -	37	3,877,362	4,294,000
1807–1808 -	33	3,940,090	3,476,000
1808–1809 -	8	479,850	808,000
1809–1810 -	37	5,744,600	5,715,000
1810–1811 -	16	2,898,800	2,973,000
1811–1812 -	25	3,132,810	2,771,000
1812–1813 -	8	1,453,000	620,000
1813–1814–1815	9	451,500	572,000
1815–1816 -	30	2,527,500	4,220,000
1816–1817 -	38	5,609,600	5,703,000
1817–1818 -	39	7,076,828	6,777,000
1818–1819 -	47	9,867,208	9,057,107
1819–1820 -	43	8,185,800	8,173,000
1820–1821 -	26	4,035,000	4,088,000
1821–1822 -	45	8,199,741	7,058,741
1822–1823 -	40	8,339,389	7,523,492
1823–1824 -	34	6,315,127	5,677,149
1824–1825 -	43	8,962,045	8,501,119
1825–1826 -	42	7,776,301	8,949,562
1826–1827 -	26	3,843,717	4,363,788
1827–1828 -	20	6,238,788	6,559,925
1828–1829 -	12 vessels only in China on 1st December.		

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198. Is it not understood that the senior Hong merchant, Howqua, has embarked in the American trade on his own account?—When I was first acquainted with the trade in 1813-14, Howqua was very considerably engaged with the Americans. At that period, and some years subsequently, I believe the American trade to have been very profitable, at the period when they were acting as carriers to the world generally, when British ships were excluded very much from the ports of foreign Europe; but latterly, for several years, he has entirely withdrawn from his connection with the Americans, solely upon the ground, I believe, of his having found it very unprofitable. I have that information derived from himself, that he found his last speculations connected with the Americans not at all profitable.

199. Do you consider that the Americans purchase their teas on equally favourable terms with the Company?—I think the Company have a decided advantage in the purchase of teas over any other competitor, inasmuch as all the classes of black teas are in the first instance submitted to them; and if they are disposed to give the same prices for green teas as the Americans, I believe the Chinese would infinitely rather deal with them than with the Americans or any other individuals. When the Americans give larger prices, of course the Chinese, proceeding upon common commercial principles, deliver their teas to them when their security of payment is good.

200. Has the price of teas generally to the Company been increased or decreased latterly?—One of the advantages which I conceive to have arisen from the Company's system is, that it has kept the teas at a fixed price. An attempt was made in 1819 and 1820, by combinations of the green tea merchants, and afterwards of the black tea merchants, to raise the prices of teas most materially. In the case of the green tea merchants, it was a very strict combination amongst the individuals connected with the trade; they met together and expressed their determinatton to maintain their prices. The Company were equally obstinate, and were not disposed to yield to their terms. A considerable delay took place in the sailing of the Company's ships from China, and of course loss to the Company upon demurrage; but the Company's possession of capital enabled them to sustain that loss, and the combination amongst the Chinese tea merchants was broken in consequence, while the Company had the power of punishment in their own hands. They refused to receive the teas, even though of a good quality, from the tea merchants who had been the principal persons connected with this combination, and bankruptcy and very serious losses were the consequence to those merchants of the rejection of the tea by the Company. The Company eventually succeeded in maintaining prices at their former standard. That is one particular occasion which I remember where the Company have maintained the prices of teas. An occasion occurred in 1825, where the Company reduced the prices of their contract teas considerably, one tale per pecul; they received the teas at reduced prices, by which a saving resulted to the Company of 20,000 *l.* sterling per annum.

201. How much is a tale and a pecul?—Six shillings and eight-pence is the conversional value of a tale; and a pecul is 133 $\frac{1}{3}$ lbs. The real value of the tale is not, however, more than 6 *s.*; I mean if a tale weight of dollars silver were melted down, it would not yield more pure silver than that contained in 6 *s.*

202. Does the American Consul in China possess an efficient control over his countrymen there?—I do not consider at all efficient for the good conduct of the trade: indeed he possesses very little power beyond having the right of administering an oath; and upon some occasions where his power has been called in question, the Americans have made a very unhappy exhibition. Upon an important occasion, which was in 1821, when a seaman belonging to one of their ships was accused of homicide, and where from every inquiry that was made, the man, I believe, was entirely innocent of the crime imputed to him, the Chinese, as usual, demanded that he should be given up. The Consul, who was a man of much good feeling, resisted that demand; but his countrymen, and the persons connected with the trade, and the captains of the ships, formed themselves into a combination, as it were, against the Consul, and resisted his wishes. The seaman, who was a Sicilian by birth, was surrendered into the hands of the Chinese. I believe this association of the Americans so far sheltered themselves under the plea that he was not a citizen of the United States, and that they were not compelled to protect him. He was surrendered to the Chinese Government, strongly against the private individual remonstrances of members of the British Factory. The select committee, as a public body, was not called upon to interfere in it. The unfortunate man, when

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delivered up to the Chinese, underwent a mere sham trial. He scarcely spoke English (he was a Sicilian by birth); nobody but Chinese interpreters were present; his hand was covered with ink, and he ignorantly placed the impression of it upon a paper, which was a confession of his guilt. It was expected, as in other cases of homicide, the sentence would be referred to the Emperor for his sanction: instead of that, the seaman, without any intimation, was carried to the place of public execution three days afterwards, and strangled. I believe that is a case which has tended very much to degrade the foreign character in China, and which may have a very prejudicial influence upon the foreign relations in China. I believe the American character, in the estimation even of the Chinese, was very considerably lowered by that act. By it was in some measure subverted the precedents which the British Factory had on several previous similar occasions succeeded in establishing, by strenuously opposing the execution of the merciless and indiscriminating laws of China. I have known one or two individuals, American merchants, in Canton, who were persons of great respectability; but their general mercantile character in China certainly stands very far from high—I mean in relation to their commercial transactions. I ought to state that the American Consul, who had thus proved the inefficiency of his power, was so disgusted with the proceedings of his countrymen, that he immediately resigned his situation.

203. In the event of the trade being open to British subjects generally, do you apprehend that the appointment of a King's Consul will ensure that respectability which is now given to the chief supercargo of the Company?—I conceive that a person possessing the power of King's Consul alone, unless that power was backed by some other influence, would not be successful in controlling his countrymen there, or regulating our intercourse with the Chinese. My reason for thinking so is, that the Chinese have on all occasions refused to acknowledge any government authority whatever, or any King's officers. Upon occasions where officers of His Majesty's ships have been in China, when discussions have arisen out of their coming into collision with the Chinese, the Company have always requested the Chinese government to communicate with the officers of His Majesty's ships, stating as their reason that they possess no authority over them. The answer of the Chinese has always been, "we acknowledge no authority in China but the Company's Factory, through whom alone we will communicate." When an English admiral was in China, which took place in 1808—when Admiral Drury was conducting his ill-concerted expedition, the same language was held by the government. In former years the Company's Chief did possess the powers of King's Consul. In 1698, indeed, at one time there were two King's Consuls in China, the representatives of rival East India Companies. I believe considerable advantage would arise from the Company's Chief in China being vested with the powers of King's Consul; not that I think the Chinese would consider his situation changed, but that it would give him a more distinct power, which the representatives of the East India Company really do not possess, on occasions of homicide, or others, when they are placed in situations of very great difficulty indeed, and when they are left entirely to proceed upon the principles of common sense; but there are no laws made for their protection in China, and no sufficient instructions given for their guidance in very embarrassing situations with the Chinese. I allude to occasions of murder and homicide occurring. Even in cases where they believe there has been murder, they have not the power of examining evidence upon oath; and murder has often to be proved upon circumstantial evidence; they cannot, therefore, unless under the certainty of the crime having been committed, surrender an individual. They are equally required to do so in cases of homicide by the Chinese government, whose law is very indiscriminating upon that subject; their situation, therefore, becomes very embarrassing indeed. The Company's Factory have been told that the necessity of submission to the laws of the country in which they resided might be pleaded as sufficient to justify them in pursuing a different course from what they have done; but they have declined sheltering themselves under such an unworthy plea of justification.

204. Will you be good enough to give the Committee any information you possess with reference to the growth of tea in the interior?—The black tea imported by the East India Company, is grown and manufactured in the province of Fokien, with the exception of about one third of that sort called by us Bohea, which third part is produced in the north-eastern corner of the province of Canton, in a district called Wo-Ping, which gives it name to the tea in question. The green tea is all grown in the provinces of Kiang-nan, Kiang-si, and Che-Kiang, but

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but chiefly in the two former. The tea plants of all these provinces are supposed to be of one species; the difference in the manufactured article arising from difference of soil, climate and manufacture. Green tea has been made in the districts from whence the black tea comes, and *vice versa*. Some of the buds of the plant in Fokien are picked in the early part of the spring, before they have burst: those form the Pekoe tea, the most valuable part of the plant; of which buds a small portion is mixed with the best parcels of Congo, to give them a flavour. Pekoe is also brought to Canton unmixed with other leaves. The tea sent to Russia is said to be Pekoe, slightly adulterated by the mixture of other leaves. In the beginning of May, the leaves are stripped off the plant; a new crop is then thrown out, and picked about six weeks afterwards, and a third crop about the end of the summer; the two first pickings are the best, and nearly equal in quality. The third crop of leaves yields tea of little strength and inferior flavour: hence the best crops are composed wholly of the choice leaves of the two first gatherings, with a small sprinkling of the buds or Pekoe. The inferior crops contain a larger share of the third pickings, and none of the Pekoe. The black tea in Fokien is said to be cultivated largely by cottagers in small plots of ground or gardens. The leaves are picked by the family, and are immediately carried to market, where persons, whose business lies in that line, collect quantities of them, and manufacture them in part, that is, expose them to be dried by the wind under the shade, and afterwards to be further dried in a heated warehouse. The persons whom we call tea merchants, and the agents of the Hong merchants, come to the tea districts and purchase from the men before mentioned quantities of the dried leaves of the first, second and third gatherings, discriminating the leaves of young and old plants, of those grown in well-known favourable spots, &c. &c. They then complete the drying process, according as it may be requisite, and employ women and children to select the hard, the best leaves, with more or less discrimination, according to the object of making very fine, middling or common tea. The tea is made into parcels of from 100 to 600 chests each, with a distinctive name to each parcel and conformity of quality, where the tea merchant acts honestly; hence those parcels of tea which, under certain Chinese names, have proved in a series of years of excellent quality and similar characters, and which are greatly sought after at the London sales, are not the produce of any particular farm, but owe their character to the skill and good faith with which the tea merchant or the Hong merchants' agents have executed their commissions in selecting only superior parcels of leaves in the market of Woo-y-shan. Green tea is brought from the three provinces above mentioned. Like the black tea, the different classes are formed by selecting the better from the inferior leaves after they have been dried; the light leaves, separated by a winnowing-machine from the heavier, form Hyson skins; much of the skins of Twankay are sold as Hyson skins. Copper is never used in making green tea. The blooming appearance of hyson, gunpowder, &c. is said to arise from the effects of carefully roasting the leaves in iron vases placed over a fire, and by rubbing them against the sides of the vessel; in this process with the green tea much skill is requisite; and there is a class of persons who are hired by some of the tea merchants to superintend their respective manufactories. The Bohea tea is composed partly of the lower grades of the Vu-y-shan tea, which has been left unsold after the departure of the last ships of the season, and partly of the tea grown in the district of Canton called Wo-Ping. The green tea merchants who come annually to Canton are supposed to be very numerous, about 400, many with very small adventures; the black tea merchants are fewer in number, but it is believed that there is not one of either party sufficiently provided with funds to be able to trade on his own capital. The Hong merchants advance the tea merchants from 2,000 to 3,000 tales per chop of Congo or Twankay, by which means the article is procured; formerly, that is until about 1814 or 1815, the East India Company had for a long period themselves advanced such sums as those above stated to the Hong merchants, by whom the money was transferred to the tea merchant. The plan was abandoned; because partly it was found in a great degree to compel an acceptance of the tea provided, whether good or bad, as the only means of recovering the loan; and partly from a desire to lessen as much as possible the extent of the East India Company's property at risk in China. The richer Hong merchants each send a purser or clerk to the black tea country to manufacture for them a few chops of tea, which usually prove the best of the investment; and they assert that these first class teas do not pay them profit in proportion to the inferior sorts, and that they continue the partial manufacture of the

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former only to satisfy the Company's earnest demand for them, and in consideration of the larger share of business allotted to them. In an open trade these motives would not exist.

205. Will you inform the Committee of the mode in which the woollens from this country are disposed of to the Hong merchants?—The woollens are disposed of to the Hong merchants under very favourable circumstances as regards charges, inasmuch as what the Hong merchants call the Consoo charges, which are the charges arising out of the operations connected with the expenses of their own Hongs, are not levied upon our manufactured woollens at all. They are, in the first instance, delivered to the Hong merchants, who have upon all occasions, since I have been acquainted with them, declared that they sustained losses upon the Company's woollens, and they only consented to receive them on consideration of the large purchases of tea made by the Company. Through the influence of the Hong merchants the tea merchants are induced to receive a considerable portion of those woollens in payment of the teas received from them; and by that means, I believe, the woollens find their way into the interior of the country with greater facilities than they could otherwise do.

206. Is there not that confidence in the Company's mark, that a bale of goods so marked will go all over China?—I believe that has been proverbial for many years; and I believe not only upon the Company's mark, but the Company's seal, whenever that is fixed, they consider it a pledge of safety and security. I may say the same of the word of a Company's servant passed on matters of business; no written engagements are required. "It is enough if it is in the Company's book," has been the common answer of a Hong merchant, when large sums have been owing to him, sometimes to the amount of half a million sterling.

207. Do you apprehend that a bale of goods which had not the Company's mark would experience the same ready transit, and have the same security attached to it?—It would not be received without examination and measurement.

208. Do you believe that a supply of tea could be obtained by the consumers in this country at a cheaper rate than it now is, if the trade were thrown open?—I conceive, with reference to what I have stated as to the competition that would ensue among individuals of the British mercantile community in the markets of Canton, one of the immediate results of that would be to raise the prices of teas. It might be supposed that that might be met by an increased manufacture of teas. As far as green teas are concerned, we know that cannot be, for we have never received green teas enough; there has been an increasing demand for green teas, and not a proportionate increased supply. With respect to the better classes of black teas, for the reason which I gave in a former answer, that the Hong merchants derive little or no profit upon them, I think they would not be produced; probably their production would discontinue, but the inferior sorts of black teas might, I have no doubt, be increased in quantity if there was a decidedly increased demand for them. I conceive that the increase of quantity could only be accompanied by a corresponding deterioration in quality. From every attention I have given to the subject, I believe that so far as the Company's purchases of teas in China are concerned, and the charges upon them there, tea is supplied by them to the English consumer cheaper than it could be under any other system.

209. Were you a member of the select committee at Canton?—I was.

210. Will you be good enough to state to the Committee if you know in what other articles, besides opium, the smuggling trade is carried on upon the coast of China?—I conceive that at present it extends to articles, more or less, of every description; not on the coast of China, but among the islands in the mouth of the Canton river.

211. Articles of British manufacture?—I am not aware of any individual instance where smuggling of articles of British manufacture has existed; but I know nothing to preclude it.

212. Can you state what were the articles of British manufacture imported by the Americans on which you stated that you supposed a loss had been sustained at Canton?—I understood from American agents at Canton, that losses had been sustained by their imports into Canton, both on woollens and on cotton piece-goods imported in American ships.

213. Has there been, during the period of your residence there, any suspension of the commercial intercourse between the Chinese and all British subjects trading to Canton?—There has.

214. Will you be good enough to state on what occasions that took place?—The first serious one was in 1814.

215. How did that originate?—It arose immediately from the act of the Company's representatives themselves, who suspended the trade in consequence of the conduct of the Chinese government towards them; in consequence, as I think I have stated, of an attempt to establish a Co-Hong system; in consequence of our ships being fired at; natives in our employment being seized and punished; and in consequence of acts which showed an hostility on the part of the Chinese government to such an extent that our amicable relations could not be continued; and the select committee, under these difficulties, themselves intimated to the Chinese government the necessity of suspending the trade.

216. When you speak of the Company, you mean the Factory?—I mean the Company's representatives.

217. How long did that suspension continue?—It continued for a considerable time. I cannot say the precise period, but I believe about two months.

218. Did it extend to all British ships at Canton?—In the first instance there was a disposition on the part of the country trade at Canton to consider their separate interests. The select committee's reply to them was this, that in cases where the Company's individual interests alone are concerned, we do not wish any other persons to be involved; but in cases which concern the interests of the British trade generally, if a measure has been taken by us to produce an influence upon the mind of the Chinese government, we must make that measure as operative as possible; and under those circumstances they suspended the British trade generally. It was a strong measure, and was very naturally objected to by individuals who were suffering inconveniences from losses they sustained. Some were very clamorous; but the select committee, who were exercising what they considered a public duty, were not deterred from the performance of it, and the trade was suspended in consequence. An interruption took place for, I think, two months. Mandarins were deputed to negociate with the Company's authorities at Canton; and the result of that negociation was, that the principal points on which the Company insisted were conceded to them, and the trade restored to its former footing. I may mention this, which occurred in 1814, as, I believe, the only instance upon record, as far as I can speak, where the Chinese government consented to enter into what may be considered a treaty with any foreign representatives.

219. Will you be good enough to state the next occasion on which a suspension took place of all commercial intercourse between the Chinese and the British?—I think no other occasion occurred till the year 1820, when I was absent from China, when a Chinese was accidentally shot by an officer belonging to one of the Company's ships.

220. Was the suspension an act of the Chinese government, or of the Company's supercargo?—Of the Chinese government on that occasion; they demanded the life of the individual, and the committee would not surrender him.

221. How long was the trade suspended upon that occasion?—For a very short period; my recollection is, that it was only for a few days.

222. How did it terminate?—The result was of a very peculiar nature. The day that the Chinese was found killed, a butcher, belonging to one of the Company's ships, had committed suicide; the Hong merchants heard of the circumstance, and said that it was a very extraordinary thing that this suicide should have immediately followed the murder of the Chinese. There was no anxiety upon the part of the Chinese government then to enter into collision with the English, and still less anxiety on the part of the English to enter into collision with them. The Hong merchants were anxious that no differences should arise; they mentioned the above circumstance to the Chinese government, and it was eagerly seized by them. A deputation of Mandarins was sent to the Company's ships: they examined the evidence of one or two sailors upon the subject, who I believe said that they thought it was very extraordinary that the butcher should have died the same day as the Chinese, and the deputed Mandarins determined that the butcher was the murderer.

223. You have adverted to the nature and extent of the country trade; can you state the probable amount of tonnage employed in the country trade from the different ports in India to Canton?—It is in the public statements laid before Parliament. I have of late years seen about 70 country ships in China annually.

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224. Do you think the extent of tonnage employed in the country trade is more or less than that employed by the East India Company in the port of Canton?—Some years ago we used to consider the whole British trade as nearly divided; the Company's trade used to be about 20,000 tons, and the country trade about 20,000 tons; of late years the Company's trade has fluctuated; in 1827 the Company's tonnage was about 37,700 tons, and in that year I consider it was beyond the country trade. I am not prepared to state what the amount of the country tonnage is, but it is very considerable, and I consider it a very important part of the British trade to China.

225. Do you conceive the country trade has been increasing during the period of your stay in China?—I do. This has chiefly arisen from the enormous increase in the consumption of opium by the Chinese, who now give some 10,000,000 or 12,000,000 of dollars for what can only be considered a poison.

226. How is the country trade carried on; is it carried on through the interference of the Company's servants at Canton?—The commercial transactions are carried on perfectly distinct from those of the Company. The persons connected with the couutry trade have often, when steps have been taken by the Committee which involved their interests, raised objections; but upon occasions where difficulties have arisen, where the persons connected with the country trade became involved with the Chinese, they generally have applied to the Company's authorities. One occasion, I remember, when I was last in China; a country captain in 1826 arrived from Whampoa, and mentioned that a Chinese had been killed on board his ship. The select committee immediately upon hearing this, instead of waiting till the report reached the ears of government, sent a deputation into the city, and stated that a Chinese had been killed on board a country ship, whose death they considered to have arisen entirely from accident. From the manner in which that statement was made, the Chinese expressed themselves satisfied. I believe that is one occasion in which, if the Company had not interfered, the country trade might have been involved in serious difficulties. I remember other instances in which the Company's interference has been called for to protect the interests of the country trade. It is going too much into detail to mention those instances. I remember one occasion particularly, where an attempt was made by officers of the Chinese government to search the country ships lying at Whampoa, which it was considered would be a very serious matter, were it ever submitted to. The persons connected with the country ships applied to the Company, who immediately interposed their influence, and prevented a search taking place.

227. Are the Committee to understand that the country trade is conducted at Canton by commercial agents, or commanders of the country traders, without the intervention of the East India Company's servants at all?—The operations of buying and selling are; but on occasions which involve protection, or which involve rights, the members of the British mercantile community apply to the select committee, as the only authority that is likely to obtain them redress. They have not the means of addressing the Chinese government, except through the medium of the Hong merchants.

228. Have the select committee the means of communicating with the Chinese government, except through the medium of the Hong merchants?—The select committee are the only foreign residents who possess the right of addressing the government in the Chinese language. When their addresses are sent in to government, they are sent by the Hong merchants; but they are sealed with the Company's seal, and delivered in an unbroken state into the hands of the government.

229. Are you aware of any instance in which a personal interview has been given by the Chinese authorities at Canton to any of the Company's servants?—Several.

230. Upon what occasion?—There have been occasions when the Viceroy has accepted entertainments on board the ships of the Company, which is the strongest case that could occur. When the Imperial Legate accompanied the embassy from Pekin, who is a still higher authority than the Viceroy, he came to the Company's Factory and dined with us.

231. Did he come down to meet the ambassador?—He came in attendance on him; but there are numerous instances where the Company's records exhibit statements of personal conferences with the officers of the Chinese government.

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232. The question applies to the time of your own personal knowledge, during the time you were in China, whether during that period you are acquainted with any personal interview having been granted by the Chinese authorities to any of the Company's servants on business?—Upon occasion of announcing the embassy, a deputation of the Company's servants waited on the Viceroy, and announced to him the embassy personally. We conceive it generally better, in consequence of the rigidity of the Chinese forms, to carry on our communication with the government as much as possible by correspondence; but some of the Chinese, high in rank, frequently come to the Company's Factory and accept of entertainments; they are received on friendly terms. On such occasions we avoid business; for the Chinese conceive there is a great want of taste in speaking to them about points of business if you ask them to your house. Much want of tact has been shown on some occasions by foreigners, who have marred the good will and civil disposition of their guests by very ill-timed and unseasonable applications.

233. Was the interview upon that occasion, with reference to the embassy, connected with any part of the commercial affairs of the Company?—Of course it was not: he was the King's authority sent to the country, and as such he was announced.

234. Were there any commercial matters touched upon at the interview?—I believe it would have been considered highly indecorous if they had been alluded to.

235. Have the Chinese authorities admitted any direct intercourse with the servants of the East India Company on commercial matters; or are not all communications carried on through the Hong merchants or through the linguists?—Unquestionably not. I think I have stated, that in 1814 a deputation of Mandarins was sent to the Factory for the purpose of adjusting the differences with the Company. The Mandarin deputed was a person of very high rank, and he came to the Factory on several successive days, and discussed the various points till the necessary arrangements were made. There are numerous other instances where we have had intercourse with them.

236. Was he a member of the Canton government; was he a Viceroy?—He was deputed by the Viceroy; he was a man of very high rank.

237. Are you aware of any application having been made by the select committee for an interview on any commercial matters or business of any kind?—I speak of that case in 1814 as being intimately connected with the commerce of the Company. On minor occasions, if there are differences, for example about landing cargoes from ships, the Company's servants consider it much better to avoid requesting an interview upon such occasions, and send their addresses to the Hoppo, who is the head of the Customs. I believe men in high official situations in China, as elsewhere, would consider it a very great inconvenience if personal interviews were demanded on occasions of minor importance.

238. Are you aware, at any period during your residence in China, of an application having been made by the select committee, or any of its members, for an interview with the Viceroy of Canton, or any constituted Chinese authorities, on the commercial affairs of the East India Company?—I think this in 1814 was a demand which comes under the description contemplated in the question; it was a demand for an interview, and an adjustment of their commercial relations. There have been, however, several other occasions.

239. How was that application answered?—By the deputation of a Mandarin, a man of high rank.

240. What took place with that Mandarin who came to the Factory?—There were other Mandarins who came with him, and the affairs in discussion were satisfactorily adjusted.

241. The Chinese answered that demand by sending a deputation of Mandarins to the Factory?—Yes.

242. Are you aware of any instance in which any of the sailors in the ships carrying on the Indian trade to China, or any of their supercargoes, or any one connected with them, conducted themselves at Canton in such a manner as to occasion any interruption to the commercial intercourse between the Chinese and the British flag at Canton?—The India ships are manned by native sailors almost entirely, who are very different indeed from our English sailors.

243. Are you aware of any interruption having been occasioned between the Chinese and the British, by any of the crews of the ships carrying on the trade

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between British India and Canton?—Not during my residence. I have known instances which I have seen upon the Company's records. The Lascars are a very inoffensive people, who would submit to insults of different kinds. They have none of the bold intrepidity, or careless and reckless character of English sailors. I think the extraordinary matter is not that so many differences have occurred with the Chinese, but that so few have occurred, which I attribute very much to the excellent discipline of the Company's ships, and the character of the officers by whom those ships are commanded.

244. Are the sailors of the Company's ships permitted to visit Canton now on liberty?—No.

245. Are the crews of the country traders, the Lascars, permitted to visit Canton on liberty?—I have seen a great number in Canton very frequently drunk in the factories.

246. But you are not aware of their having occasioned any disturbance to call for the interference of the select committee, or to occasion any interruption to the commercial intercourse between the Chinese and British flags?—No.

247. You have adverted to the period when Admiral Drury was in China; were you there yourself at that time?—No, I was not; it was in 1808.

248. You stated that the Chinese refused to hold any intercourse with Admiral Drury, because he was not a servant of the Company, being a King's officer, whom they did not acknowledge.—

249. Do you state that as a fact?—I state that as a fact. It appears in all the Chinese proclamations I have seen relative to the expedition to take possession of Macao, that the Chinese, when applied to by Admiral Drury, said, we acknowledge no authority but that of the East India Company. The select committee said, the Admiral is a distinct authority, over whom we have no control. The answer of the Chinese was in very violent words, saying, that the men of war came there, and took ships off their coast, and they did not wish to have their visits; and they had now come and taken possession of the island of Macao; and that till Admiral Drury withdrew from Macao, and till the troops were re-embarked, they would hear nothing.

250. Are you aware that upon that occasion Admiral Drury came up to Canton from the second bar, where his ship was lying, for the purpose of having an interview with the Viceroy, having been promised by the Hong merchants that the Viceroy would see him?—As to the promise of the Hong merchants that the Viceroy would see him, that I cannot speak to. I should be disposed to question the fact; but I have a perfect recollection of these two instances, and I have very deeply lamented them; for I think the expedition of 1808 is one of those unfortunate occasions in which the English character has been exhibited to very little advantage in China. Admiral Drury came up to Canton and insisted upon an interview with the Viceroy. The Viceroy refused him that interview, when he sent an intimation to the Viceroy that he would be in his palace in the city in the course of half an hour. The Viceroy declined a visit offered in such unusual terms, and said he should not come, but that he must go back to his ship. Admiral Drury did not persevere in his expressed intention, but returned to his ship. He, on the second occasion alluded to in the question now put to me, ordered the boats of his own and the Company's ships to be manned and armed, and to proceed up the river and break through the line of Chinese vessels which were moored across from one bank to the other. Admiral Drury pulled up in his boat in front of the Chinese line, to address the Chinese admiral, through the medium of a Portuguese padré, who acted as his interpreter, and who at that moment was very much disinclined to such a duty. After being fired at for some time, one of Admiral Drury's men was wounded, when he ordered the signal to be made for the boats to attack. The signal was not observed, and was ordered not to be repeated. He then declared his intention not to force the Chinese line, and returned with the boats under his command to the ships. I believe Admiral Drury was a man of courage undisputed, but that he was destitute of that cool and deliberate judgment which was essential to the success of such an undertaking as that entrusted to him. The Company's chief in China at that time expressed his approbation of Admiral Drury's conduct in not forcing the Chinese line; but I am disposed to think that that attempt ought never to have been made, or that the end in view should have been accomplished. There is nothing in our whole intercourse with China so necessary as to keep our ground when it is once assumed. The expedition ought in my opinion never to have been undertaken.

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251. Are you aware that upon that occasion we gave up the whole of the ground we had taken possession of?—I think it is one of those lamentable occasions in which the English character was exhibited to great disadvantage in China. A pagoda was built by the Chinese upon the occasion, to commemorate the victory they had obtained over the English admiral: they cannot afford to lose an opportunity of that sort.

252. How long was the trade interrupted at that period at Canton?—I was not in Canton at the time. I can only speak from information I have derived from the Company's records, but I should say six months.

253. You have stated that the principal import of raw material from India to China is cotton; are you aware whether China does or does not produce a great quantity of cotton itself?— It does, a very considerable quantity of native cotton; the cotton from which nankeen is manufactured is a cotton which I believe is peculiar to China.

254. Can you state the probable quantity imported into China from British India?—The estimates of trade which are annually laid before Parliament show much more accurately the quantity than I can speak to from recollection.

255. Will you be so good as to state how the Dutch conduct their business in China; is it a free trade, or is it a company's trade?—It has existed as a company within my recollection, but I believe at this moment it is a free trade; there was lately a Netherlands Company established, but I do not know to what extent that company proceeded; there are two resident supercargoes there, and a consul; and I think the Dutch, within the last few years, have had about three or four ships in China annually.

256. Are you aware that the Dutch trade with China is now entirely an open trade; as much so as the American or any other trade; and that the Netherlands Company is merely a commercial company, having no peculiar privileges in the China trade?—I understood that upon the dissolution of the old Dutch East India Company the trade was then thrown open.

257. How is it conducted in Canton?—By resident agents.

258. Does that resident agent do the business of individuals?—I believe the Dutch consul is permitted to engage in private business.

259. Do not those who trade between the Netherlands and China carry on their trade with such agents, and in such manner as they think most for their interest; are they restricted to any particular agent in Canton?—I do not know what regulations may exist in Holland as to that point; but as far as I have seen their transactions in China, I am not aware that they are restricted; I do not speak from accurate knowledge of the fact, but I believe a Dutch ship may be consigned to a British resident agent in Canton.

260. Then in fact they may carry on their business in such manner as they please?—I believe they are not restricted by the government in Holland.

261. Do the French send any ships to China?—Of late years I think we have had one or two small ships annually.

262. Do the Swedes and Danes, or any other European nation, carry on any trade with China?—The Swedes and Danes formerly had larger ships in the trade than the East India Company; but now the trade has ceased almost entirely.

263. Do the Russians trade with China?—The Russians are excluded from the trade at Canton. During the time I was there one Russian ship came, which was excluded, upon the ground that the Russians possess a trade by land, and that it was not desirable to admit them to trade by sea.

264. Do not some of the Mediterranean ports trade to China?—I remember what was called the Austrian Frigate, but she was a trading ship in China.

265. Is there any Austrian factory?—No, not now.

266. Is there any trade with the Brazils?—Some trade does exist between Macao and the Brazils, but I believe latterly to very inconsiderable extent; the Portuguese at one time at Macao possessed a very lucrative trade.

267. Are not those several trades that have been mentioned all carried on without any particular company existing at Canton; are they not all free trades carried on at the will of the persons transacting them?—Of those that have been mentioned there are only two now existing deserving the name of trades, and these are inconsiderable; viz. the Dutch and Portuguese; the latter of whom have never traded to the port of Canton, but who carry on trade direct from Macao. Some

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Swedes are still resident in China, but they have little or no commercial intercourse. The Dutch have certainly a trade, and the number of their ships annually has been, I believe, about three or four of 600 or 700 tons.

268. Have the Dutch got into any difficulties with the authorities at Canton?—Not of late years; but in former years, certainly.

269. Within the period of your residence there?—During the first period of my residence there the Dutch did not enter into the trade of Canton: the Dutch supercargoes remained in China, and their salaries were very regularly paid in Paris. Until the declaration of the independence of Holland they had no trade, and I think they did not send any ships to China till some years afterwards.

270. You are aware that the Dutch China trade was formerly an exclusive monopoly like our own, but has been entirely thrown open since the last war?—I am aware of that fact: but I understood the dissolution of the Dutch East India Company had arisen from their very embarrassed situation.

271. Since the trade has become a free trade has any particular difficulty arisen with the authorities at Canton in carrying it on, within your recollection?—No; it has been to a very limited extent.

272. What does the British Factory consist of; how many persons?—We have 20, consisting of a select committee, supercargoes and writers; and besides that, there are an interpreter, two tea inspectors, two surgeons and a chaplain.

272 (*a*). Of how many does the select committee consist?—Sometimes of four, sometimes of three; at present it consists of four members.

273. The business, it is presumed, is conducted by the select committee, and the remainder are clerks in the execution of the business?—Very much so.

274. Do not the gentlemen of the Factory and the Company's servants reside only a small portion of the year at Canton itself?—Yes, six or seven months.

275. Is it not the fact that the Chinese government do not permit them to remain there the remainder of the year?—There is an old Chinese law that foreigners should leave Canton at the expiration of what is considered the shipping season; but it is a law that has fallen very much into disuse. The Company's servants themselves very frequently go to Canton during the summer months, and they have had ships loading during the summer months; and some of the British merchants reside there the whole year.

276. Do they ever permit you to come into the town?—They do not allow us to go within the walls of the town.

277. But you are confined to a small suburb for the transaction of the business?—Yes.

278. What other British residents are there besides the Company's factors?—There are some mercantile houses, some of the members of which are men of very great respectability.

279. Is that a new state of things, or have there always been independent houses there?—There have always, within my recollection, been houses established there; there are more agents now than there used to be, but they are not all men of the same credit and character.

280. Does the Factory consider itself as having any authority over the English merchants settled there?—So far as appears by reference to Acts of Parliament, I think the Company's authorities have a right to interfere with the residents there, in case of their conducting themselves in a manner to injure the general interest of trade. That authority has been rarely exercised by the committee.

281. Do you consider yourself as having power to send persons away?—It is not very clearly expressed; but I think the Company's authorities would exert it if they saw that British interests required it: as far as my views of the Act go, I think they would be borne out by it.

282. Can you refer to the Act of Parliament which you suppose to give you the authority you mention?—I cannot immediately refer to it by its title.

283. Do you suppose it to be derived from the charter of the India Company granted by Parliament?—It is an Act of Parliament; whether it is a separate Act, or a clause of the charter, I cannot say. The Act, as far as I remember, gives the Company's representatives control over British subjects trading to the Emperor of China's dominions.

284. Will you be so good as to state who transact in China the English private trade that goes from India; is it done by the independent houses you have mentioned,

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or is it in any proportion done by the Company's servants?—At present not by the Company's servants at all; in former years it was.

285. Are the Company's servants prohibited from engaging in it?—They are now prohibited from being connected with private agency.

286. So that the private agency is entirely in the hands of independent houses?—Yes, and in the hands of supercargoes, many of them Parsees, and captains of ships.

287. In fact, the private traders put their business into whose hands soever they please?—Yes.

288. You have stated that the houses that are established are very respectable, and quite capable of transacting business of that description?—Unquestionably, they are houses of great respectability; there are men who are members of those houses who are men both of character and credit, sustaining the character of British merchants respectably and properly.

289. You have stated that the smuggling trade in China has become very extensive; has not the increase of that smuggling trade a tendency very much to injure the fair trade?—I think it has a tendency to do so, in as far as articles smuggled into the country that evade duty can be sold at a profit, when articles which pay Government duties cannot.

290. Is not the opium trade in China, which you state to exist to the extent of 13,000,000 or 14,000,000 of dollars a year, entirely an illicit trade?—Entirely prohibited by the Chinese government.

291. Is it not, therefore, a trade in which the India Company, through its servants, can take no interest whatever?—The Company, I think, are interested in the trade so far as regards the Indian revenue. They prohibit their servants in China from having any connexion with it.

292. Would you not consider it as derogatory to the character of the Company for its servants to be extensively interested in the smuggling trade of the country?—The Company have always professed to be legal traders in China, and to conform to the established laws of trade in China.

293. Does not a considerable portion of that high character which you state the Company to bear with the Chinese government arise from their conviction that the Company would not meddle with a trade of that description?—I think it does.

294. But if the tendency to the smuggling trade is suffered to increase to any great extent, would not the Company, in consequence of debarring itself from that species of trade, carry on a much smaller portion of the general trade of China than might be carried on by persons who have not the same scruples?—The two distinct trades are transacted with two distinct classes of people; one, the legal merchants, the other, persons who are disclaimed by the government, and declared to be illicit traders.

295. While the Company carry on the one trade, which you say is independent of the illicit trade, are not the subjects of this country in a great measure debarred from entering into that other trade which is open to the rest of the world?—The subjects of this country are the persons who derive the principal profits from that trade, who are the British agents in India, and the persons immediately connected with the opium trade. I conceive the country trade to form a very important branch of the British trade; and I conceive that trade to exist under the protection of the Company's trade, inasmuch as if there were no legal traders in China, which I have stated the Company to be, I think it would remain a question with the Chinese government how far it would submit to be deprived of its revenue, and whether it would not be induced to take very strong and very precipitate measures perhaps for the exclusion of foreigners altogether from its ports. The Chinese attach a value to the foreign trade; yet there is no country in the world so independent of it, from its successful agriculture and extensive inland commerce.

296. Do you think it is possible that a country having enjoyed for so many years an immense foreign trade as China has done, by which it has exported to such an extent its domestic produce, could suspend, without a total destruction of its internal economy, that trade with foreigners?—The power of that suspension rests with the Imperial government of Pekin; and, as I have stated, I believe the revenues coming direct into the Imperial treasury from the foreign trade are not large, they have therefore no distinct interest in the trade. How far the Imperial

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government at Pekin would be induced to consider the general interests of the country I am not prepared to say; for the Chinese government acts upon principles so diametrically opposite to those which regulate the governments of civilized Europe, that it would be difficult to hazard an opinion of what might be the result of such a state of things as that contemplated.

297. Has not the Chinese government, in its conduct towards foreigners who have attempted to fix themselves in their harbours, shown itself a shrewd government, acutely understanding its own interests?—I think that the Chinese are a highly intelligent people, remarkable for their industry and perseverance; but I think they are oppressed with one of the most corrupt governments that ever weighed down the energies of a people.

298. You stated that the Company have been exporting woollens to China at a loss, and that it has been a losing trade?—In the years from 1819–20 to 1828–29, the average invoice of woollens imported into China from England has been 821,680*l.* per annum; therefore, notwithstanding the very heavy losses previously sustained for the 26 preceding years of 64,000*l.* per annum, the imports of the Company into China have not been lessened more than about 125,000*l.* per annum: the Company's average loss at present has, I think, been reduced to about 17,000*l.* sterling per annum upon their general investment.

299. Have you any doubt of the fact that the woollen trade of the Company is a losing trade?—It is so at present, and has in former years been still more so.

300. Does the statement you have made include the freight and all other expenses?—As far as freight is concerned, the woollens have been exported to China under very great advantage; for I believe it will be found that a comparatively very small charge for freight has been made by the Company on British exported manufactures, with a view to facilitate the consumption in China.

301. As the article of tea, which is brought from China, is a very bulky one, it is presumed that the freight of any manufactured goods sent out cannot be very important, as the China ship would otherwise go nearly empty?—That would depend upon how it is charged; but the Company have always gone upon the principle of making a very small charge of freight upon English manufactured goods.

302. Are you aware that the price of cloths sent out to China has in this market been reduced more than one half?—I have been told so; I have no knowledge of the prices of cloths in England.

303. Are you aware that for some years past foreigners have been carrying on a considerable trade in those very woollen goods from this country to China?—I have understood that some American ships have cleared out from Liverpool and from London to China.

304. Are you aware that it appears in the Paper before Parliament for the last three years, that the Americans have taken out between 800,000 and 900,000 dollars worth of woollen goods to China?—I have seen the statements made: I have no means of acquiring knowledge as to their accuracy.

305. Do you suppose that they would have continued that trade so steadily as it appears to have been continued, without its having been a profitable one to them?—I do not know whether those manufactured articles are the property of American merchants, or whether they are the property of British merchants: if they are the property of British merchants, who have no means of disposing of the manufactures except the hazard of a distant market, I think they might be disposed to embark in a speculation which even had not answered before, rather than keep their goods on hand.

306. Would not the British merchant be prohibited by law from having any interest in a trade of that description?—I do not know.

307. If it should be shown that the American has been carrying it on for his own account, and that that trade has been steadily going on for some years past, is it not presumable that it has been a profitable one?—I am not disposed to think so, from having received other information from American agents in China, who told me that their consignments from this country have generally been unprofitable.

308. If it should be the case, that the American or foreign merchant has carried on a trade of this description with profit, when the Company have been carrying it on with loss, would not that prove that their trade has been, in this article at least, better conducted than that of the Company?—It might not prove that it was better conducted, for it might arise from the circumstances I have stated, of some of those goods having been smuggled into China, having evaded the Chinese duties.

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309. If the tendency of the trade in China is to get into the smuggling line, will not the Company, acting upon different principles, and being from its circumstances unable to enter into that trade, be a disadvantage against persons who have no scruples of that discription?—If the question put to me contemplates the subversion of the Company, I think we should be all smugglers in China together, and there would then be no legal trade in China. I do not know how far the Chinese would submit to that. The ultimate result would, in my opinion, be very prejudicial to British commercial interests, of which I consider the Company's to be only a part.

310. Will you have the goodness to explain what you mean by legal trade in China, when you say that if the Company cease to trade as a Company there would be no legal trade carried on there?—I applied the term legal trade to transactions in China, and I use the term in relation to the Chinese laws, from the circumstance that the English laws do not extend to China at all; and therefore the term legal trade, as applied to the trade in China, can only have reference to the laws of China. When I speak of legal trade, I speak of a trade conducted in conformity to the laws of the country, whether those laws have reference to residents or to their commercial transactions.

311. Is there any reluctance on the part of the Hong merchants to trade with individuals?—Certainly not, with individuals of respectability and credit.

312. You have stated that the black teas are generally offered first to the Company, and that of the green teas the Americans have frequently the first option?—I stated that the Company have the pre-emption of all black teas. With respect to green teas, they are submitted to the Company's inspection also, and to their choice; but a competition enters on the part of the Americans with the Company in the article of green teas; on some occasions the Americans, being disposed to give higher prices than the Company, they get the teas; but the tea brokers always express a wish rather to deal with the Company, upon the principle, that they consider the Company's security better than the security of an individual.

313. Upon what credit are the purchases made from the Chinese?—There are no regular periods of payment. The teas are generally paid for in the course of the season; sometimes earlier, sometimes later.

314. Your are not in the habit of being in debt to any considerable extent to the merchants there?—The Company for several years past have insisted upon their servants keeping a clear account with the Hong merchants in all matters connected with the Company's interest. Upon a late occasion which occurred of the bankruptcy of a Hong merchant, the Company were creditors to a very trifling amount.

315. Does not the preference you have had in the black teas arise from the circumstance of your being much the largest customers for that description of tea?—The best customers, and the best paymasters.

316. Do not the Americans carry on the trade in small vessels?—Yes, they do. I think the average I have made, upon looking at the American tonnage, has been in vessels from 280 to 300 tons.

317. Are not the expenses of the port very heavy?—Yes, they are; and they fall much heavier upon small ships than they do upon large ships; and consequently it was found much better by the Swedish and Dutch to have large ships, as well as from their superior adaptation to a tea-cargo.

318. Can you give a detail of all the charges made upon a ship of 600 tons, including fees and all disbursements?—The duties upon a Company's large ship are about 4,300 tales. The port duties on a smaller ship are comparatively, with its extent of tonnage, much heavier.

319. Is not that portion of the port charges, called a present, the same on all vessels, great and small?—It consists of 1,950 tales, and is the same upon large or small ships.

320. Does not that give a very considerable advantage to the Company's large ships over small private traders?—It does.

321. Would not the temptation to smuggling be irresistible if the trade was carried on in small vessels?—I imagine that individuals who do not much respect the laws of the country, will not consent to pay duties which they can evade by acting in opposition to those laws.

322. Is the smuggling carried on among the Chinese by what are called outside merchants?—This term is applied in common to all merchants not members of the Hong; some of them are smugglers, some mere shopmen.

323. Is not the trade, which is carried on by the American merchants, chiefly

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with the outside merchants?—It is, I believe, to a certain extent. I should say that a large portion of their trade was carried on with the Hong merchants.

324. Do not the Hong merchants give permission to the Americans to trade with the outside merchants?—The outside merchants are prohibited from trading in teas, or other staple articles; but the Hong merchants frequently connive at the trading of the outside dealers, by permitting shipments to be made through their Hongs; that is done by the poorer class of Hong merchants.

325. You stated that the American trade of later years has fallen off; are you not aware that the American trade is in part a carrying trade?—It was a very great carrying trade some years ago; I believe that carrying trade has been very much limited of late years.

326. Is not the carrying trade subject to great fluctuation, inasmuch as it depends upon the policy of other countries?—That is a question of a general description which I am not prepared to answer; but a part of the American trade which appears to be declining is their direct trade between China and the United States.

327. Would not the interference of the Dutch in the tea trade necessarily affect the carrying trade of the Americans, in so far as the supply of tea to Holland was concerned?—Certainly.

328. It appears that the years 1826–27 exhibit a considerable falling off in the American trade; still are you not aware that there has been a considerable increase in the American trade, commencing in the year 1814, and terminating in the year 1827–28?—I am aware there has been in some years an increase.

329. Are you aware of the averages which have been struck in the Papers presented to Parliament upon that subject?—I am. I conceive that the Americans have been increasing in wealth and population, sufficiently to account for a general increase of trade.

330. Do not you think there may be some circumstances to account for the falling off of the trade in 1826 and 1827 of a temporary, and not of a permanent nature?—I believe the Americans have been very much over trading, both to continental ports in Europe and to the United States, and that very considerable losses have been sustained upon those consignments.

331. Are not the principal tea provinces in China maritime provinces?—The province of Fokien is the black tea province, and the province of Kiang-nan is the principal green tea province, both maritime provinces.

332. Is the tea generally brought from those provinces to Canton by sea or by land-carriage?—Entirely through the interior of the country. It is prohibited by Imperial edict to bring it by sea; the Chinese have attempted to bring it by junks, but the Imperial government of Pekin, being apprehensive of being defrauded of the duties which arose from the transit of teas, have prohibited the trade by sea altogether.

333. Are you aware that there is an exportation of tea from the tea provinces to the islands of the Eastern Archipelago?—I have understood that there is an export to a limited amount for the supply of Chinese settlers there.

334. And that it is also brought to Sincapore?—I cannot speak with any personal knowledge of what is brought to Sincapore.

335. You have stated that the tea provinces were very much benefited by the export of their teas to Great Britain?—I stated, as an individual opinion, that I conceived that the native industry was very much encouraged in China by the extent of foreign trade; and of course the tea provinces were materially improved by the flow of capital into them.

336. Are you aware of the amount of the population in the tea provinces?—It varies in the different provinces; the whole population of China is computed now at 140,000,000. I believe the southern provinces of the empire the most populous.

337. Have you heard any estimate at Canton of the number of persons connected with the tea trade?—I have heard many estimates, but it is impossible to place reliance upon such information.

338. If the Company's establishment at Canton was to cease, and the trade of Canton was to be carried on by private merchants, and those merchants were to carry on indiscriminately a lawful and an illicit trade, do you think that the whole trade might be endangered?—I do.

339. You have stated that one of the articles which is smuggled into China is opium; is not that smuggled by individuals of every nation, who provide themselves with

with it in India?—It comes to China principally in British country ships, which are the traders between India and China.

340. Is it not purchased exclusively from the India Company?—It is purchased at the East India Company's sales; besides which, there is smuggled Malwa and Smyrna opium.

341. So that, although the East India Company will not smuggle opium into China themselves, they sell it knowingly to parties that do smuggle it in?—The persons connected with the Company's interests have knowledge enough to know that it goes to China, but they conceive their connection with it to terminate with the sale in India.

342. In making a calculation of the profits and loss of the East India Company's imports into China, how is that calculation founded where barter takes place: you were understood to state that the woollens and other goods were bartered against tea?—I stated that the Hong merchants required the tea merchants to take them in return for their teas; the Company formerly used to barter with the Hong merchants, of late years they have required the Hong merchants to give money prices for every thing.

343. Is it taken as a mercantile account upon the cost price in England, the freight and charges, &c. being added to it, and the result taken from that?—The usual number of mercantile charges which are made in invoices enter into the account.

344. Is any commission charged upon it as received by the Company's agent there?—I believe our commission is charged upon the exports from this country in the Company's invoices. It is paid upon the sales in China and England at the rate of two per cent.

345. Is that upon the gross sales?—I believe so.

346. Upon the goods out and upon the goods home?—Yes.

347. Upon the purchases of tea is your commission of two per cent charged also?—Upon the sales of tea we receive two per cent commission; three per cent commission pays not only our commission, but the whole expenses of the Company's establishment in China. There are some commercial charges which we call charges on merchandise, and expenses for the transit from the Factory at Canton to Macao and the Factory rent; but two per cent we receive in the shape of commission as our own allowances.

348. Is that two per cent allowed upon the sale of teas in England, or upon the prime cost at Canton?—Upon the sale in England.

349. There appears to exist a considerable difference between the value of the imports into China and the value of the tea exported by the Company from China; how is that difference made up; is it not by the Company selling their bills in China?—The Company draw annually in China upon their Bengal treasury, to the amount generally of 2,000,000 of dollars and upwards, which affords a remittance for the proceeds of opium and cotton in China to British merchants, who generally very gladly avail themselves of the Company's paper to remit their proceeds to India. The Company's tea investment is therefore provided by the proceeds of the sale of English manufacture in part, and the productions of our Indian possessions.

350. You have stated that the supercargoes are paid a commission of two per cent; are there not certain deductions from that, to the amount of at least one quarter per cent?—The salaries of our tea inspectors, our surgeon, and our chaplain, and certain allowances to the senior officer commanding the Company's ships, and payments to the retired servants of the Company, come under the two per cent, and what we call in China the European establishment, which is the expenses of European servants connected with the Factory.

351. When is it that you receive this two per cent; how many years is it after they are shipped from China?—We do not receive our first payment from the Company till the expiration of two years after the work is done, for which that payment is a remuneration; and the whole payment is not completed under four years, which makes our nominal greater than our real allowances.

352. Is not the delay in that respect occasioned by the Company keeping the tea of one year for sale in a subsequent year?—I do not know if that be the cause.

353. If the Chinese government were to exclude both the Company and private traders from the trade in tea at Canton, are you of opinion that that trade could be carried on elsewhere to a beneficial purpose through any other channel?—The

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question would contemplate the Chinese entering themselves into the trade with their own native vessels. It has been a principle of the Chinese government altogether to discourage the natives of the country from being in any way connected with foreign commerce. The question is one completely of speculation; but I should think very great difficulties would stand in the way of the trade being carried on to any great amount in Chinese vessels to the islands of the Eastern Archipelago.

354. Do not you think that the Hong merchants, having a large stock of teas in their hands, would be prompted by their own interests to send those teas to other parts, when they could not sell them at Canton?—There would be great danger in sending them, inasmuch as the Chinese native vessels are of such a cumbrous description that they are very unseaworthy.

355. Would you have the same security for the good quality of the teas?—Unquestionably not; there could be no security in such a trade.

356. Is not the production of teas capable of being increased, according to the increased demand for it?—I think, to a certain extent, of black tea, though not of the best kind, but not of green. My reason for thinking the production of green tea cannot be increased, is, that there has been a greater demand for it than the increasing supply of the Chinese has been able to keep up with.

357. Are you aware of any reason peculiar to the country creating an impossibility on the part of the Chinese to proportion the supply of green tea to the demand?—I imagine it requires a considerable outlay of capital, which the Chinese have not at command; and it involves a speculation into which the Chinese merchants do not seem disposed to enter.

358. Can you say whether the demand for the English woollen manufactures in China is capable of being increased according to the increased supply?—I conceive that if our manufactures could be introduced into the northern provinces of the empire, the demand for them would decidedly increase; for they are the cold provinces, where woollen manufactures would be principally used.

359. Are there any insuperable obstacles to the introduction of our woollens into the northern parts of China?—The ports of China being hermetically sealed against us for many years.

360. Have you found the British manufactures have been in greater demand when the price has been low in China?—I suppose that low prices generally produce an increased demand; but I cannot answer that question distinctly, from any recollection of the circumstances.

361. With respect to British manufactures in general, when the price is low in China do you find that they are in more general request than when they are high?—I believe that men will buy things more readily when they are cheap than when they are dear; but I cannot answer the question from recollecting the circumstance.

362. Do you know whether the consumer, or the retail dealer, makes a larger demand upon the Hong merchant when the price is low than when the price is high?—When prices were high I have always heard the Hong merchants complain of having many unsold goods in their warehouses; and I have always heard them say they sustained losses on our woollens.

363. How many English establishments may there be at Canton?—We send home an accurate list of the English residents every year; but I cannot state the precise number at present.

364. Have they increased of late years?—There have been more agents; I think the houses of respectability have not increased.

365. How many consuls are there at Canton?—There is an American consul, a Dutch consul, and a Dutchman who I believe has the diploma of French consul.

366. Do you know what the private houses of agency in China charge for conducting a trade?—Five per cent.

Lunæ, 22° die Februarii, 1830.

John Francis Davis, Esquire, called in; and Examined.

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367. WHAT opportunities have you had, of a peculiarly favourable nature, to enable you to form an opinion respecting the Chinese, their trade, and with respect to the relations of this country with China?—I have been 17 years in the Company's service; and I think it probable that the attention I have paid to the language and institutions of the country may have assisted me in forming an approximation to a correct opinion regarding them: besides, I travelled for six months through the interior of the empire.

368. Were you not also a member of the select committee?—Previous to my last leaving Canton I was.

369. What circumstances, in your opinion, in the character of the Chinese, and in the nature of their institutions, are opposed to an extended intercourse with foreign nations?—They are a decidedly anti-commercial people: they have a particular objection to increasing their intercourse, in any way, with Europeans, and I should think more particularly with the English, on account of our close approximation to their frontiers towards Tartary and in Ava.

370. Has the condition of British merchants and of the British trade improved in China since your recollection, and more particularly since the last British embassy to Pekin?—It certainly has. The Returns, which I believe are now lying on the table of the Committee, show that for the last ten years there is an increase of 5,000 tons in the Company's shipping, when compared with the nine years preceding; that is to say, that for the last ten years the average has been 28,000 tons of shipping, and for the nine years previously the average was only 23,000.

371. Is the foreign trade considered of real importance to the Chinese, or is their government independent of it?—I should think their government is as independent of it as that of any country in the world: they have besides a decided objection to an increased intercourse with foreigners, and diminish as much as possible their intercourse, by laying heavy duties upon foreign manufactures.

372. From what circumstances does the influence which the British representatives appear to possess over the Chinese government and their commercial delegates arise?—I should think in some measure from their moral respectability, in having no concern whatever with smuggling; and I should also think their influence arises in a great measure from the value and importance of their trade in amount.

373. What advantage does the Company derive from the superior class of large ships employed in their China trade, and from the discipline maintained in those ships?—They derive several distinct advantages from the superior class of their shipping. In the first place, they pay less, in proportion to the tonnage, at Canton in the shape of port charges: in the second place, these ships are better adapted to the stowage of teas—they stow more in proportion to their nominal size. There is another advantage derived from the superior class of their shipping, in regard to sea risk. Since I have been in service, 17 years, (and I believe for many years previously) not a single *homeward*-bound ship of the Company has been lost. We may consider the number of homeward-bound ships in that time 400; so that that makes the risk as nothing to 400. I speak in reference to the *teas*, and therefore in reference to the homeward-bound. The observation is correct in reference to them, and would *not* be in regard to the others. This advantage is shown, in practice, by the small premium on the insurance of the Company's ships. There is another decided advantage derived from the superior character of the Company's shipping—it is independent almost of convoy in time of war, and it is well known that their fleets have beaten off French line-of-battle ships.

374. Do you allude to the celebrated action in which Commodore Dance and a large fleet of Indiamen repulsed Admiral Linois?—Yes.

375. Do you know the amount of property that was then in jeopardy if the French had been successful?—No; but I believe it is a matter on record. If it were the whole fleet of the Company, it would amount to one year's value of the Company's trade.

376. Were there not also under the charge of Commodore Dance a large number of private ships also of very great value?—I believe there were as far as the Straits of Sunda. With regard to the objections raised against the Company's superior class of shipping on the score of its freight, I would say, that the charge

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on account of freight at present is only 4*d.* per pound upon all the teas; and taking it for granted that the private traders might purchase their freight at one half of the Company's, that brings the difference to 2*d.* per pound. Against this 2*d.* per pound you must take all the advantages I have stated as an off-set; you must take the smaller port charges paid by the Company; you must take the very advantageous insurance account of the Company; their independence of convoy; and the superior stowage of their ships.

377. Do you chance to know what freight the Company pay for the stowage employed in the trade to our North American colonies?—They pay less than the Americans; about 9*l.* or 10*l.* a ton, I believe. The American ton is one fourth smaller than ours, and therefore in proportion to the nominal price they pay more.

378. Are you able to state how much the 9*l.* or 10*l.* per ton is per pound weight of tea?—The 9*l.* or 10*l.* must not be charged upon the tea; not more than one half of it should be charged on the tea, because the ships are taken up to export British-manufactured goods to Canton; and therefore the freight must be divided between the outward voyage and the return voyage. It is accordingly only 4*l.* 10*s.* or 5*l.* upon the tea.

379. Are you able to state how much that would be per pound of tea from China to North America?—It is something under a penny per pound on black tea; on green tea I have not calculated.

380. Do the Company derive any advantage from the regularity of their demand for tea, and from the regular contracts made by them with the Hong merchants in conformity to this demand?—I should think that they do. A crop of tea is not like a crop of turnips or a crop of corn, which may be produced within the year, according to the demand. The shrub requires a certain time to come to perfection, and the regularity of the demand certainly tends to encourage its cultivation, to produce a supply in due proportion, and to save the growers from severe losses; because if there were a sudden diminution of the demand for a year or two, after a rapid previous increase, they would probably, a great many of them, be ruined; since it is not so easy to convert the cultivation of tea into the cultivation of any thing else; I therefore hold that a regular demand for tea ensures a regular supply, at the same time that it keeps up the quality. A fluctuating demand, probably, would be more pernicious in the case of tea than in the case of almost any other thing in the world.

381. Practically, what effect has this regularity in the demand for tea produced upon the price of it?—It certainly keeps up the quality relatively to the price.

382. Has the price of tea increased or diminished latterly?—I would rather say it has been prevented from increasing; an increase which would have been inevitable from the very great advantages which, in the absence of the Company, the united body of Hong merchants, all living within a few doors of each other, would derive from their union against promiscuous traders.

383. What impression, in your opinion, would be produced upon the Chinese generally by throwing open the trade to British merchants generally?—The whole body of smugglers at Canton would rejoice. The government would, in the first instance, view it with jealousy, as they view every change; and when they came to lose their revenue, they would view it with hostility. They have already, in consequence of the extraordinary amount of smuggling, (not only relatively to contraband articles, such as opium, but in the case of articles that pay duty), lost so much, that they have issued edict after edict directed against those individuals and those nations who principally partake in this smuggling trade; and it is impossible to suppose that they would go on *ad infinitum* in their endurance, or consent to the conversion of the whole trade of Canton into a smuggling intercourse.

384. Do the representatives of the Company possess any peculiar advantages in their intercourse with the Chinese, and in their means of access to the local government of Canton?—They possess one very essential advantage, in being the only foreigners who are allowed to have a direct communication in the native language with the government, which has been expressly denied to all others, and only conceded to the Company, on the part of the government, because they could not resist it. They also derive great advantage from the attention which has been paid to the language and to the institutions of the Chinese; to the knowledge of their laws especially, as well as to the general character of the people; an advantage which is not, as far as I know, possessed by any other traders at Canton.

385. Do

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385. Do any other foreigners in China besides the English possess a competent knowledge of the Chinese language, or avail themselves of its use in their intercourse with the government of China?—Certainly none of the traders in China. There are a few Catholic priests who study it for the purpose of propagating Christianity; but it has not, to my knowledge, ever been used by any European traders, except the Company's representatives, in their written intercourse with the government and with the people.

386. Do the Chinese government recognize the Company's Factory as a respectable and more official body of persons than any other persons in China?—They consider and treat them in a manner very different from the treatment which they show to other Europeans. They have done, in respect to the Company's representatives, what they never did in respect to any other traders. They have admitted them to personal conferences on equal terms. In the year 1814, I was at all the conferences which were conducted by Sir George Staunton, to which the Mandarins came in full state, and met us as equals to all intents and purposes. I have myself been engaged in personal interchanges of visits with the Madarins on friendly terms. They would not certainly adopt such a mode of conduct towards other Europeans at Canton, in my opinion.

387. Do you conceive that the throwing open the trade to China would extend the consumption of British goods there?—My opinion is decidedly that it would diminish that consumption. The importation of European goods by the Americans, of which so much has been said in this country, appears, on examination, not to have exceeded one fourth of the quantity imported by the Company and their officers: the average seems to have been about 800,000 *dollars*, while the latest average of the Company is about 800,000*l.* sterling; and I should ascribe this actually small quantity on the part of the Americans (although that has been very much exaggerated in England) to two or three plain reasons. In regard to the Company's officers, they pay *no freight*, and they also pay a very small insurance, in consequence of the superior character of the ships; and they can accordingly afford to introduce European manufactures cheaper than the Americans. In regard to the Company, they have thought it necessary, on account of the clamour raised in this country, to submit to actual losses; and it is not likely that individuals would, from any patriotic motives, endure the same losses.

388. What obstacles exist, in your opinion, to the increased consumption of British goods throughout the empire of China?—I would first state the anti-commercial spirit of the Chinese, which leads them to charge heavy duties on foreign importations. For instance, the duty on woollens is from about 1*s.* to 1*s.* 4*d.* a yard; the duty on raw cotton is about 6*s.* a hundred weight; and I would say, that the circumstance of British manufactures being generally calculated for a cold climate, while Canton is placed at the very southern extremity of China, 1,200 miles distant from the northern, would also be an obstacle to the consumption of British manufactures. Then, again, the Chinese have laws directed against the use of strange and foreign things, and on all occasions involving expense, particularly such as festivals, marriages, public and domestic occasions of rites and ceremonies, they are bound to use the things which in material and in fashion are consonant with established and ancient usages; and even in what they buy of us they buy principally those things which admit of disguise; for instance, the little demand they have for our white cottons is principally because they can dye them some other colour, and thereby hide the circumstance of their being foreign.

389. Is there only one port in China into which foreigners are permitted to trade?—Only one. I have heard that the Spaniards have a nominal admission to another port, that of Amoy, which they have been obliged to abandon from the impossibility of coping with the exactions of the Madarins.

390. Have any efforts been made, to your knowledge, by British residents or other foreigners to open a trade at other ports besides Canton?—Not within my recollection.

391. Is not the Company's mark a passport for their goods from one end of China to the other?—Yes; and in travelling through the country with Lord Amherst, I saw written up in Chinese characters "Company's cloth." I would observe, with regard to the title "Company," that it is the only respectable term which the Chinese apply to foreigners; they generally call them by names which are scarcely to be repeated: the original Chinese expression, Koong-sze, means a body of public functionaries.

392. What is your opinion with relation to what would occur to goods not having

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having the Company's mark upon them, as far as the interior trade was concerned?—They certainly would not have that passport.

393. Are you in possession of any information as to the manner in which the Americans purchase their long ells and other cloths which they procure from this country?—I am not so well acquainted with what occurs in England on that subject.

394. What has been the success of the free trade of the Americans and others with China; has it been a beneficial trade or otherwise?—I understand it has produced bankruptcy to a very considerable extent in America, which is a circumstance referred to in the President's message to Congress. He said, that the principal defalcations in the American revenue had arisen in the department of the Customs, from the bankruptcies which occurred among those engaged in the Eastern trade; and that the best way to guard the government from such losses in future was to give it the first claim against the estates of its insolvent debtors.

395. Has the American consul any control over his countrymen at Canton?—He has not a great deal of control over his countrymen; he seems to be simply a commercial officer.

396. Is any deference or respect paid to him by the Chinese authorities?—Very little indeed. The Chinese do not understand recognizing foreign dignities and authorities.

397. When Admiral Drury was in China, was he respected, and his authority acknowledged by the Chinese authorities?—No, they treated him, in fact, with the greatest contempt, which in some measure occasioned him to lose his temper, and to behave with what I should call imprudence.

398. Are you aware of an order from the Admiralty to prohibit any British man-of-war from going to the Chinese seas, unless under circumstances of the greatest necessity, such as want of water?—Yes; and I believe that order was made specifically, in consequence of the mischief that had been produced by men-of-war going to China.

399.—Were you in China at the time of the occurrence referred to?—I was not in China at the period of Admiral Drury's stay there; but I was in China during very similar mischiefs, which occurred in the case of Captain O'Brien, in 1814. Captain Richardson's case also occurred during the period of my service, though I was not actually on the spot at the time.

400. Are the British seamen in the Company's ships under better control than other seamen who come in other ships?—Decidedly. There is a species of police established at Canton by the Company; a circumstance that has arisen out of the exigencies of the case, in consequences of the mischief that resulted from the sailors coming up without sufficient control to Canton, where they gave occasion to several homicides. A most efficient system of police has been established on the spot, with reference to British seamen, constituting the commodore, or senior officer of the Company's ships (the Company's president is the chief), a sort of magistrate, with perfect control over the men, and the power of sending them down to the ships, or of punishing them when they deserve it.

401. Do you consider that if the trade was thrown open to ships of all descriptions, there could be a control over the seamen similar to that which is exercised over the Company's own sailors?—I should think that neither the officers nor the men could be under the same control as in the Company's ships; because these constitute a sort of approximation to the footing of men-of-war, and therefore the discipline in their case is certainly less lax than on board private ships.

402. Is there not a great trade from the ports of India to China?—Very large.

403. What class of persons navigate those ships which are called country ships?—The men are chiefly Lascars.

404. Are they under pretty good control?—They are under the Company's control entirely; perhaps less so than their own ships, but still under the Company's control.

405. Can any ship go from India to China without a license from the Company?—I fancy they are licensed by the local governments.

406. Does not that give an authority to the local governments to place in some measure under the control of the Company's authorities in China the sailors who navigate those ships?—The captains sign a penalty bond, obliging themselves to conform to the orders of the select committee.

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407. Have you been in any of the Company's settlements in India?—I have not visited them.

408. Will you explain to the Committee in what way the contracts are made of tea, and also the sales of woollen goods, with the Hong merchants?—With regard to the woollen goods, the merchants have a decided objection to them; and they certainly incur a heavy loss on some of them; they accordingly take them from the Company only because they are obliged. They take them in shares, proportioned to the quantity of contract teas which each of them supplies to the Company; and they take a considerable portion of them only because the Company obliges them. I have seen accounts which evidently proved that the merchants were severe losers by the bulk of the woollens, particularly the long ells. With regard to the teas, the contracts are made annually about the month of February for the ensuing season; and they do not extend to the whole of the intended investment, but perhaps to about two thirds of it, the remainder being left to be supplied from the offers which may be made after the contracts have been filled.

409. Have the Company the first offer of all the black teas that are grown in China?—I believe they have of all.

410. How do they stand with relation to the green teas?—The bulk of the green teas are also offered to them in the first instance. There are one or two very peculiar descriptions of tea, small in quantity, which they do not import; the young Hyson, I think, is one suited particularly to the Continental and American trades.

411. Is it your opinion that an increased supply of teas could be raised to supply any indefinite demand in China?—I should think that as the quantity increased, the quality would deteriorate. The quantity might be increased probably very considerably beyond what it is at present; but experience has shown that it is impossible to keep the quality up in proportion as the quantity of this produce or manufacture increases. We have found several of the best species of black tea almost vanish, as the whole demand of the Company has increased; and the importations of the Company into England, so far from starving the market, have so much over-supplied it that there has been considerably above a million annually rejected at their sales at the upset price.

412. Do you know how many years it takes to bring the tea plant to maturity?—I cannot speak very positively on that subject; but I should think, as it is a shrub, two or three years would be necessary, or more.

413. Had there not been very pressing orders from the Directors to the supercargoes, when you were in China, to send an increased supply of Twankay tea?—Yes.

414. Has there not been a difficulty in obtaining that article?—I believe there has.

415. Was there any limitation of price fixed, or was it ordered to be bought if it could be bought at all?—It was, I fancy, to be purchased at any rate. It was stated as being much in demand at home.

416. With respect to the many foreigners who are at Canton, do you suppose that the acknowledged authority of the Company's representatives is advantageous to them?—I should think in two respects, politically and commercially: politically, they have certainly preserved foreigners from the degradation to which they would have been reduced by the haughty disposition and conduct of the Chinese government; they have stemmed that torrent: and, commercially, they have certainly kept down the prices of teas.

417. What effect would, in your opinion, be produced, politically speaking, by the Company being divested of their exclusive privileges in the eyes of the Chinese?—They would undoubtedly lose in the eyes of the Chinese. The Chinese would infer that they had abused the trust confided in them; and, in fact, they must necessarily lose *all* the advantages which they at present possess, for they would entirely lose their present character.

418. That is, the Company would lose?—The Company would lose, and also British subjects, as the Company represent British subjects.

419. Would private merchants, trading to China, receive the same protection as they now do, under the wing of the Company's representatives?—I should say they would be reduced to the level of the subjects of other nations who frequent China.

420. What protection do you suppose that foreigners now receive from the acknowledged authority of the Company?—I would say that they have derived a general advantage, from the character of Europeans in general having been kept up in the eyes of the Chinese; for the Chinese cannot draw those distinctions which

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we do: they consider all nations wearing hats and coats to belong to one general class, of which they certainly acknowledge the English to be the head.

421. Have the Company's representatives extended their protection over foreigners whenever they have had an opportunity?--Have they interfered, as far as they could, to support the rights of other nations, European and American?—No particular instance occurs to me at present of their having done so.

422. In the case of the murder of a Chinese by an American, were you in China at that time?—I was not in China. I have heard that there was some disposition to take the poor man's part displayed by individual British subjects, but that the Chinese would not have any thing to say to them.

423. Have you any means of knowing in what way any contemplated change of system is viewed by the Chinese, particularly by the Hong merchants, and by any of the constituted authorities?—The Hong merchants would have reason to rejoice in a change, if viewed in regard to their gain; for they would certainly be able to do with private traders what they cannot do with the Company; they would dictate prices to individuals; while at present, on the contrary, the Company dictate prices to them. But they would not, I fancy, willingly purchase this advantage at the heavy risk which they would incur, in the event of the trade being opened, arising from their responsible character. They are responsible for the acts of all Europeans; they are *security* for the ships: and the risks of fine and imprisonment, and even of corporal punishment, arising to themselves, from the acts of private merchants and their sailors, would be so great, that they would not willingly purchase the advantage of trading with foreigners generally on superior grounds to those which they at present enjoy, at the price of the risks which they would incur both of the person and of the pocket.

424. What is the Committee to understand by the Hong merchants being security for the acts of private merchants?—The Chinese government will not deal with any ship till some Hong merchant has consented to be answerable for the conduct of every individual in that ship. In the case of private ships, much delay has arisen from no Hong merchant being willing to become security, while each of them in his turn readily becomes security for the Company's ships as they arrive; with the exception, I would add, of the chief Hong merchant. His more numerous avocations, as representing the whole Hong, and as conducting the affairs of the whole Hong in their official intercourse with the local government, led him to petition the Company to be exempted from this duty of being security for their ships. They call him in their language the general merchant; that is, the principal organ of official intercourse between the local government and foreigners; and on account of the time and attention which this required from him he petitioned to be exempted from the business of being security for the ships. He was exempted on that ground when he had explained to their satisfaction the reasons of his application.

425. Can you state in what year that exemption took place?—I think it was in e end of 1827, or the beginning of 1828.

426. Were you rightly understood to say that the Chinese object to foreigners, and particularly to the English, on account of their power being in the neighbourhood of the Chinese empire?—I would not say *object*; I would say that they are more inclined to be *jealous* of the English, and of course on that account, on account of the English having got so much political influence in Nepaul, as well as in Ava.

427. Were you rightly understood to say, that the Company are preferred, because they do not smuggle, and on account of the greatness of their trade?—Certainly; those circumstances must raise them in the estimation of the Chinese.

428. Is not the smuggling generally and chiefly carried on through the country trade-ships from India to China?—I should say through the country trade and the Americans: both the country traders and Americans smuggle opium.

429. Do the country trade-ships receive licenses from the local governments in India?—To the best of my knowledge they do; but I cannot speak to that as coming within the immediate range of my own knowledge.

430. Are the Chinese aware that those country ships come under the license of the East India Company from India to China?—They regard them generally as British ships, and they do not trouble themselves further.

431. Do they consider them as under the authority of the East India Company?—Not further than as British subjects. They cannot consider them as so immediately under the authority of the Company as the Company's own ships are.

432. Do not the country trade-ships give bonds to the East India Company?—I believe

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I believe they give bonds to the East Indian governments at the Presidencies from which they sail.

433. In the event of any misconduct on board of one of the country ships, to whom would the complaint of the Chinese authorities be addressed?—It would be addressed to the British chief, if that occurrence happened within the river; but we do not recognize the country ships that stay outside of the river, which do not enter the river at all, but lurk amongst the islands for the purpose of smuggling opium.

434. You stated that the price of freight on tea from China to England is about 4*d.* a pound; and you stated that the price of freight from China to Canada was about 1*d.* per pound: can you explain the reason of the difference between the rate of freight of tea from China to Canada, and the rate from China to England?—In the first place, the high freight of the Company's ships to China arises from their being a superior class of vessels; and the high charge on the tea arises from more of the freight being laid on the teas, that is, upon the homeward cargo, than upon the cargo outward.

435. Is not it true, that a different class of ships is employed in the trade between Canton and Canada than that which is employed between Canton and England?—I should say that the higher freight on the tea that comes home to England arises partly from the shipping being of a superior class; it arises, secondly, from a larger proportion of the high freight being charged upon the tea that comes home to England, than on the British manufactures that go out.

436. Did the calculations you made of 1*d.* per pound for freight embrace the 9*l.* or 10*l.* per ton, which you calculate those ships to cost?—I take one half of the freight charged for the voyage, assuming the freight paid to be 9*l.* or 10*l.* per ton.

437. During your residence in China have you had occasion to know that the East India Company has exported a considerable quantity of Sycee silver, that is, pure silver from Canton?—No, I cannot call to mind any single instance of that within my service, nor before it.

438. Are you aware of their having exported bullion in any other shape?—I believe they did once within the 17 years that I have been in their service.

439. Was it in any considerable quantity?—It is so long ago (I do not think it is within the last 12 or 13 years), and I cannot speak to the quantity.

440. Is not the export of bullion in any shape strictly prohibited by the laws of China?—It is; but the Company, of course, when they did export that quantity, applied for and obtained a regular license.

441. The Committee are to understand that the Company did apply for and did obtain a license from the Chinese government for the exportation of that bullion?—I was not in the committee at the time; but I should certainly say that they did apply for and obtain that license. In fact, I can speak to their actually having applied for and received such a license, when they have exported bullion.

442. Are you aware that with respect to a considerable quantity of the opium which is smuggled into China, the chests in which the opium is contained bear the Company's mark?—I never saw a chest of opium in my life; and therefore I cannot speak to it.

443. As a member of the select committee, have you not had occasion to know officially that a considerable quantity of that opium was sold by the East India Company's authority in India, and a license granted to British subjects to carry it to China?—We cannot possibly be ignorant of that. The Company enjoys a monopoly of the growth of opium in India, and therefore they must be the sellers of it; but I am confident the Chinese are perfectly ignorant of a circumstance which is foreign to their empire.

444. Are the Committee to understand that the members of the select committee are cognizant of the fact that that contraband article is brought to China under the license of the East India Company's governments in India?—They cannot be ignorant of a fact so generally notorious to Englishmen.

445. Can you state how many of the Company's and China ships were captured during the late war?—That I cannot state. Whatever may have been the number, it all occurred long previous to my entering the service.

446. Do not you think that an increased demand for tea at Canton would naturally tend to produce an improvement in the quality of the article?—I should say, from the experience of the past, that an increased demand for tea would produce a decided deterioration of quality.

447. On what grounds do you form that opinion?—Entirely from the circumstance of its being a very delicate produce, requiring peculiar soil and climate and

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situation; and that in proportion as the quantity manufactured is increased, and particularly if the demand is rapid, the quantity that is hastily produced, in order to meet that rapid increase of demand, invariably produces a deterioration in the quality.

448. Since when has it been deteriorated?—Since the demand has been increased. I have before stated that the Company's tonnage had in the last 10 years increased on the average 5,000 tons per annum, when compared with the nine years preceding that period.

449. From the experience you have had in travelling in China, can you inform the Committee whether the profession of a merchant is not looked upon as of a very inferior nature?—I should say, that though by the institutions of the country it is generally considered as inferior to that of scholars and some others, yet still that in China, as in every other part of the world, wealth must carry with it a very considerable share of consideration; and that the circumstance of wealth in the Hong merchants (who also possess some official character) gives them a certain degree of respectability and consideration even among the officers of their own government: so much so, that I remember Sir George Staunton, after the discussions of 1814, which he conducted personally, and at which I was present, told me that he was subsequently invited to meet one of those Mandarins at dinner, at the house of a Hong merchant. So much influence has wealth, even in China, in conducing to respectability.

450. Is the American consul himself personally engaged in trade?—I should think it is the only source from which he can derive a livelihood; for I believe he receives no salary whatever.

451. Do you consider the Hong merchants generally to be wealthy men?—Decidedly; I should say that those who have escaped ruin from the illicit trade must be wealthy men. I would hardly make any exception at present.

452. How many are those who have escaped that ruin?—There are at present seven, and I think there were 10. I would say that *generally* they are wealthy men, and one or two of them men of incalculable wealth; nobody knows how rich Howqua is.

453. Are you able to state whether it is not a fact that it is contrary to court etiquette for a merchant to be admitted into the Imperial presence at all?—I am not aware of any such regulation of the government.

454. How were the supercargoes designated in the edict issued by the Viceroy of Canton?—The term generally used is Koong-sze, as I mentioned before, "a body of public functionaries."

455. Can you state the probable amount of the tonnage employed in the country trade carried on between India and China, with reference to the Company's tonnage?—The report on the table speaks to that fact: it is nearly equal, at all events, to that of the Company. It arises, not from there being so large a quantity of tonnage actually employed, but from the quickness of the returns, and from the comparative smallness of distance enabling one ship to make two voyages in the year.

456. Is that trade carried on without the intervention or assistance of the Company's servants at Canton at all?—A very large portion of it consists of smuggling trade, and therefore must be entirely out of the Company's cognizance.

457. The question refers to the country trade carried on at Canton, of which no portion is a smuggling trade?—That consists principally of cotton.

458. Is that trade carried on without the intervention or assistance of the Company's servants at all?—I should say not, inasmuch as that trade has derived very important advantage and assistance from the Company's Factory in the course of time.

459. In what respect has it received the protection of the Factory?—There was an attack made by the Chinese upon the privileges and trade of foreigners generally, in the year 1814. The Company then made a stand; and I conceive that they gained advantages which necessarily extended to the country trade, as well as to the Company's.

460. Is it not the fact that all the sales of the cargoes imported from India to Canton, and the purchases of returns, are conducted by the supercargoes on account of the country trade in direct communication with the Chinese merchants, without any interference or assistance from the Company's servants whatever?—Certainly; we do not interfere with their arrangements with the Hong merchants.

461. Do you know whether the American trade is not carried on in the same way, namely, that the American merchants have direct communication with the Chinese authorities and the Chinese merchants, without the interference or assist-

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ance of the Company's servants?—With the Chinese authorities they have endeavoured to obtain an intercourse, but have been denied it, except through the medium of the Hong merchants. They are ordered by the Chinese government, if they have any thing to say, to send a petition in English to the Hong merchants, which petition the Hong merchants are to translate into Chinese. The disadvantage of such a medium of communication as the Hong merchants is this, that, in the first place, they have interests decidedly contrary to those of the petitioning foreigners; and secondly, that they dare not, in their communication with their own government, urge points or use expressions which foreigners would urge and which foreigners would use, could they write their petition themselves. The Americans have been engaged, in a great measure, in the illegal trade with what are called the outside shopmen, in express contravention of the laws of the Chinese empire; and the government repeatedly interfered to put a stop to it, in consequence probably of the defalcations of revenue, and the ruin of the Hong merchants which ensued therefrom. They have interfered three or four times since I have been in the service.

462. Was not that interference on the part of the Chinese government at the request of the Factory?—Certainly not.

463. Do you know the date of the last interference?—The last was shortly before I left the country.

464. Were you in Canton in 1828?—Yes, I was.

465. With respect to the country trade, are the Committee to understand that a trade, equal in amount of tonnage to the trade carried on by the East India Company, is carried on under the British flag to China now, without any interference or intervention of the select committee as regards the commercial intercourse between the supercargoes of those ships and the Chinese merchants at Canton?—Except as regards the occasional protection which the committee have found it necessary to extend to the British trade in general in cases of exigency.

466. Can you state any of those cases?—I speak particularly in relation to the year 1814, when a stand was made against the Chinese in favour of British subjects generally.

467. Do you think that trade could be carried on with the same security if it had not the protection of the Factory?—I should say not.

468. Are you aware of a proclamation issued by the Canton government in 1814, regulating the trade between the shopmen and the Americans, on a petition for that purpose?—No; I recollect a proclamation denying what the Americans petitioned for. There was a proclamation about certain trifling and worthless articles; but this was so perfectly futile, that the Americans petitioned for a set of regulations, which should admit the shopmen to trade in staple articles of commerce; those allowed were mere mats, shoes, &c. and articles of consumption, which are permitted to be sold to the sailors and foreigners generally for the supply of their occasional wants.

469. Are not all cotton goods and silk goods included in the last proclamation?—If I recollect right, they were all excluded. The ultimate result of the American petition was, to be refused those articles which they applied for.

470. You mentioned that there were very heavy duties on the importation of foreign goods; are there any internal duties on transit?—Very considerable ones, which necessarily add to the sale price of the articles that are the subjects of that transit.

471. Are those fixed and known, or are they variable?—They are so entirely connected with the internal administration of the empire that it is not easy to obtain accurate information regarding them.

472. Is it easy to pass the goods, or are any obstacles thrown in the way?—There are no further obstacles than those which arise from the bar that this transit duty forms to the consumption of the article, by increasing its price.

473. Is there any means of knowing what the rates of duties are?—Yes; they have been stated and calculated according to the information obtained by a former tea-inspector of the Company. The document is available.

474. Has this system of transit duties been increasing of late years?—I have no means of ascertaining that point; but I believe they are very heavy.

475. Have they been of late years increased or diminished?—I have not heard of their being either increased or diminished.

476. Do you know how the duties are collected?—That also forms a portion of the internal administration of the empire, with which we have few means of becoming acquainted.

477. You have stated that the smuggling trade has increased very much of late

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years; has that increased at the same time with the system of internal duties?—The increase of the smuggling trade has been chiefly with reference to opium, which can have no connection with duties, being altogether contraband.

478. Is there not a very considerable smuggling trade in other articles imported into China from Europe?—I believe that a great deal has been smuggled into China. I know instances where the articles have been detected, and a heavy fine has been imposed upon the Hong merchant, who secured the ship, while of course the importing European has suffered the loss of his goods.

479. Have the Hong merchants themselves taken part in this smuggling trade?—Far from it; they were sold, not to the Hong merchants, but to outside shopmen.

480. You were understood to state that some of the Hong merchants have been ruined by their mixing with the smuggling trade?—Not at all; they have been ruined by the smuggling trade. They pay heavy duties and exactions to the government, on account of the advantages which their situation affords them in the monopoly of the regular trade; and as the smuggling trade must necessarily be carried on by persons who do not pay those heavy exactions, and who in fact frequently evade the regular duties, they must necessarily be ruined by the extension of such a course of transactions.

481. Do all the English manufactures imported into China by the Company pass through the fair trade?—Certainly.

482. Have you any means of judging what proportion of the whole imports into China consist of the smuggling trade?—It is impossible to say exactly how much; because the smuggling is secret, and therefore not so open to investigation: but with regard to opium, we know that the amount of the annual importation into China is upwards of 10,000,000 of dollars.

483. Taking what information you have, should you say that one half, or two thirds of the whole importation of foreigners into China is surreptitious?—I should say that it is very likely that one half may be surreptitious, taking the value, not the bulk, because it is the most valuable articles in proportion to their bulk which are the most likely to be smuggled. Bulky articles, such as raw cotton, can hardly be the subjects of smuggling.

484. You have spoken of the Company's Factory making what you call a stand upon certain occasions; in what way is that stand made; is it by abstaining from dealing and trading?—The Company turned upon the Chinese their own favourite weapon. The Chinese had a mode of resorting to the stoppage of all communication; and in the year 1814, the Company, with very great effect, tried the same measure upon the Chinese, and found it perfectly successful.

485. That is to say, the Chinese were not able to withstand the abstaining from trading with them for any length of time?—They gave up the point at last.

486. You threatened the stopping of the trade, and that threat brought them to their senses?—The measure of stopping the trade gained for the Company all the points for which they contended.

487. Can you state how long the trade was stopped upon that occasion?—I have not the dates in my recollection; but it was for a considerable period.

488. Did that stand, which you represent to have been made, create any considerable distress in China?—No, it could not produce much distress among the people for the time; but it produced considerable embarrassment to the government, from the delay of the duties. It gained for the Company two or three most important immunities and rights. Among the immunities may be stated, that of exemption from inquisitorial visitations from the Chinese Mandarins at the Factory. They had been lately subject to every kind of insult in that way, and they gained an exemption from it. With regard to the privileges which they gained, the most important one was that of direct communication with the government in the written character of the country, under sealed cover, and without any interference on the part of the Hong merchants.

489. Are the Committee to understand, that prior to the year 1814, the period at which this stand was made, the Company carried on their trade without the privilege to which you attach so much importance, of communicating directly in the Chinese character?—No, they did not altogether; but it had been frequently disputed; and it was in the year 1814 that the Chinese particularly endeavoured to deprive them of it. They contended for the retention of this privilege, and gained a final confirmation of it in writing.

490. How many gentlemen are there in the Factory that can speak Chinese?—Perhaps half a dozen.

491. Sufficiently

491. Sufficiently to hold conversation with the natives?—I should think so; and some of them to write the character.

492. Were you in any provinces where the tea is cultivated?—Lord Amherst's embassy did not pass through the principal tea provinces, which are Fokien and Tche-Kiang. We passed, however, through some where it is partially cultivated.

493. Are not the provinces, where the tea is cultivated, very populous districts?—Very populous.

494. Is it not cultivated by a great number of small proprietors?—I should think that nearly all the landed proprietors in China must be small, from the mode in which property descends; they have, I believe, something like the law of descents in France, which generally divides the property pretty nearly among the children, and therefore the cultivators must come gradually to be persons of small property.

495. Is not it cultivated rather by what we should call cottagers in gardens, than upon a great scale?—I should think the immediate cultivators are persons of small property; but the tea-men, as they are called, those who employ the cultivators in performance of the contracts made at Canton, are persons of generally large capital.

496. Altogether do you think there is any considerable population engaged in the cultivation of teas?—It must necessarily be so in the production of the commodity; because the manufacture of tea necessarily involves so large a quantity of human labour.

467. Did you ever hear any estimate how many millions were supported by that trade?—No; all our statistical information with regard to China must be very vague indeed.

498. Can you state what intermediate contractors there are between the cultivators of the tea-plant and the Hong merchant?—The intermediate contractors are called the tea-men, who at the commencement of every year, about the month of February, make their arrangements with the Hong merchans, in reference to the supply of the succeeding season.

499. You are understood to say, that the persons whom you call the tea-men go into the country and buy the tea of the small proprietors, but they are not the advancers of the capital which is required for the cultivation of this tea?—I must repeat that all our knowledge of details in the interior of China must be extremely vague; and what I have said as to the smallness of individual property, in reference to those cultivators, is in fact chiefly a surmise of my own, deduced from the mode of descent in China.

500. To what do you ascribe the circumstance that the Factory know so little of the interior of the country?—Because they are confined to a small corner of the empire, and their knowledge cannot be so great as if they had access to several points of it.

501. Do you suppose that those with whom you deal purposely keep you in ignorance, or that they themselves are unable to acquaint you?—I believe the Chinese themselves are generally ignorant of statistical matters; they either have not the curiosity, or they do not possess the means of informing themselves.

502. How long has the trade in British manufactures been a losing trade on the part of the Company?—I think the returns will show for a very considerable period.

503. You know that fact from having seen the accounts?—Yes.

504. Have you any doubt of it?—I have no doubt that they have lost in the long run very considerably.

505. Does it continue to be a losing trade, or has it improved in that respect?—I fancy that the Company have got a more fair return for some of their articles of importation, in consequence of having diminished the quantity. The prices have experienced very great depression at Canton, in consequence of the importations of the Americans.

506. Would not that circumstance have continued the depression of your profits rather than have increased the prices?—I would not say that the Company have *gained more*, but that they have *lost less*, in consequence of finding it necessary to diminish the supply.

507. Have the Factory always considered it as a losing trade, which was carried on rather to satisfy the people of England than for any profit to be derived from it?—Decidedly; and I would add, that the quantity imported by the Americans has not been more than about one fourth of the quantity imported by the Company and their officers, for the reason I have already stated,—that the officers can afford to import British manufactures at a cheaper rate and that the Company have

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submitted to losses which cannot be expected from private merchants, from any feeling of regard for the manufacturers of the goods.

508. Of course, as this has been a losing trade, you have not felt yourselves bound to extend it?—We have extended it, and in fact kept it up to a point which private merchants could not have kept it to, in consequence of our influence over the merchants, causing them to take the goods, though they lost by some of them.

509. Of course, therefore, the merchants that are forced to take the goods must put that loss upon some other part of their dealing with the Company?—Possibly upon the teas. Such a trade as that cannot be considered as advantageous to the Company; but the Company have, I believe, continued it to a certain extent, in deference to public opinion, or rather in consequence of the public clamour.

510. Do you suppose that the American who has carried on that trade has been induced to do it from any other circumstance than finding it profitable?—I believe it will be shown that the American importations have fallen off lately; and in fact the great bulk of their importations has been in bullion; and I conclude that if they had found the trade in woollens profitable, it would have been much more extensive than it has been, viz. one fourth of the Company's.

511. Have you not every reason to suppose that that portion which they do carry on, whatever it may be, must be profitable?—I should argue that it was not profitable, from the fact that very large failures and ruin have attended the American trade.

512. Have you any other facts to prove that, except the passage you referred to in the President's speech?—Merely that sort of knowledge which one gains in conversation and by reading.

513. If it can be shown to you in evidence, that the American is making a profit of from 20 to 30 per cent upon manufactures sent out, while the Company have, according to your own statement, been carrying on generally a losing trade in this article of manufacture, would it not be a satisfactory proof to you that the private trader has had some better means of disposing of his goods than the Company's Factory?—Certainly; in relation to that particular article, the thing speaks for itself.

514. You state that great advantage is derived in the China trade from large ships in preference to small ones. Supposing a private trade to exist to China, is it not to be presumed that the individuals who carried on that trade for their own benefit would select the sort of ships which carried on the trade to the best advantage?—That is quite a speculative question, and I cannot speak to the result of the experiment.

515. Are you aware whether the Americans have increased the size of their ships lately?—I am not aware of that.

516. Do not the Dutch and other European states also carry on some trade with China?—The Dutch have had three or four ships in China within the last three or four years.

517. Do they act through a factory; or in what manner do they transact their business?—They have lately established a consulate.

518. Do not those who trade between Holland and China carry on their business at the place, without any particular control from any company or factory?—I am not exactly aware that they are under any particular control, beyond that exercised by their consul.

519. Have they, within your recollection, got into any difficulties with the Chinese authorities or government?—It is only very lately that they have resumed their trade they were thrown out of by the war; and they have only resumed it lately; in fact, displaced the Americans in the supply of Holland.

520. Are you aware that the Dutch formerly carried on all their trade through the Dutch East India Company?—I believe they did.

521. Have you heard from the merchants, or from any persons carrying on that trade at present, any expression of opinion that the trade was now carrying on to any disadvantage, in consequence of its being open and free?—I believe there is something like an association in Holland at present for carrying on the China trade, if I am rightly informed.

522. Are you aware that though it is an association it is a free association, and it is open to any private persons to make a similar one?—It is; but very little inference can be drawn from the Dutch China trade, it being so very recent.

523. But you are not aware of any difficulty arising from its present freedom?—No specific difficulty; they compete with other foreigners at Canton.

524. Do you know any thing about Cochin China?—Very little.

525. Do you know whether any trade is carried on by individuals with Cochin China?—

China?—I think an attempt was made by some Americans, which proved an utter failure. I read something about it in the Edinburgh Review, or in the Quarterly, three or four years back.

526. Has any attempt been made on the part of the Factory to ascertain whether they could increase the commercial relations with Cochin China, or any of those countries to which we have little access?—An attempt was made by the British Factory, in the person of Mr. Roberts, many years ago, under the auspices of the Supreme Government, but it proved a failure.

527. How many years ago was that?—I cannot state, but it was considerably previous to my entering the service.

528. Was it a mere trading attempt, or was it an attempt to establish some relation between the governments?—It was, I believe, an attempt to establish a trade.

529. You stated that the Chinese felt a peculiar jealousy towards the English, from their neighbourhood in Nepaul and in Ava. Have any circumstances occurred within your knowledge which led you to suppose that, or is it merely a surmise of your own?—I think that an edict of the Emperor, at about the commencement of the Burmese war, tended to prove that the Chinese were aware of such a contest having commenced, and that they had turned their attention towards their frontier in that quarter.

530. Was there any thing in the proclamation, or in what occurred at the period, which proved at all distinctly that the Chinese government connected the operations in Ava with the British at Canton?—They cannot be ignorant that the British nation is concerned in both places.

531. Then you imagine that they were aware that the same nation which was engaged in hostile operations near their western frontier, was connected with the Factory of merchants subsisting at Canton?—I should certainly think that they could not be ignorant of that; and I know very well that they are fully aware of the existence of our influence in Nepaul; for a Chinese general was either seen or heard of as being very near, by some of our public functionaries, about the time of the Nepaul war.

532. Are you led to suppose that they connect the operations in Ava and Nepaul with the Factory at Canton?—I think their pride would prevent their making such admissions to us; but I feel perfectly certain that they must be aware of our encroachment upon them on those two points.

533. Are they aware that the persons who compose the British Factory at Canton belong to the same nation?—They certainly have never told us in so many words.

534. Has any thing ever occurred which leads you to conclude that they distinctly connect the British Factory with the proceedings in Nepaul and Ava?—Circumstances have occurred, as already stated, which make me feel quite certain of their knowing that those who encroached upon them towards Nepaul and in Ava, were the British, and they must connect them with the British in Canton.

535. You stated that the Chinese are incapable of distinguishing foreigners at Canton; how comes it then that they distinguish so particularly, in the case of the British Factory, its connection with those operations on the frontier in another quarter?—They cannot fail to know that there are such flags and such nations as Americans and English; and they cannot, of course, fail to know who are the English authorities at Canton, and who are not the English authorities.

536. Then in point of fact they do make a distinction between the different nations of foreigners?—If they did not make any distinction they could not treat one better than another. They are not capable of making such nice distinctions as we make; for we can tell an American by his mere accent.

537. Then you mean that they cannot distinguish between individuals?—Certainly.

538. You stated that the American trade has been a declining one; for what length of time has it been declining?—I cannot go very nicely into details, but they are before the Committee.

539. It appears by the returns now before the Committee, that with the exception of the years 1826 and 1827, it has been an increasing trade?—In *amount*; but in *tonnage* it has diminished; and if the amount has remained nearly the same, while the tonnage has diminished, I would ascribe it to this circumstance that they have given up bringing *manufactures*, which occupy a large space, and brought *bullion*, which occupies a small one; that they have moreover diminished their purchases of tea, which occupy a large space, and bought silks, which occupy a smaller one in proportion to the value. I began, however, with stating that the documents will be a better authority than I am.

540. Are you acquainted with the actual amount of American imports and

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exports for any one year?—I only speak with reference to those documents which I have examined.

541. Are you aware of the way in which the duties are paid by American merchants upon goods brought from the east of the Cape of Good Hope?—I have understood that the American government gave the traders a year's credit for the duties they had to pay; and that the trade existed to an unnatural extent in consequence of the credits arising from this custom. That the American government has been obliged to resort to some remedy for its losses.

542. Has the falling off in the American trade been in that with China or with India?—I speak with reference to the documents which I have seen relating to China.

543. Do you know the actual amount of trade in the years 1826 and 1827?—I have an account, I think, of 1828–29, which exhibits six millions and a half of dollars.

544. You state that in your travels in China you have perceived British manufactures in the interior of China; can you state any particular place where you saw them; at Pekin, for instance?—No; it was only in the neighbourhood of Canton. We in fact became sensible of our approach to Canton by the recurrence of shops containing British manufactures.

545. Was it solely in the province in which Canton was situated that you saw British manufactures exposed for sale?—I cannot speak to that; but it was only in the *southern part* of the empire; in fact, the recurrence of such goods was more frequent in proportion as we approached Canton.

546. You stated that it had been the earnest endeavour of the Company's Factory at Canton to extend their trade, if possible, but that they had been unable to do it?—They have certainly extended their trade very much in tea.

547. Were you at Canton in September 1828?—I was.

548. Did you hear that a ship called the Merope had returned to Canton after having been a voyage as high up as to Ningpo, having made a very profitable voyage, and converted the whole of her cargo to a very large extent into specie?—It must have been entirely surreptitious, if she did; and I judge that her cargo was opium.

549. Do you conceive that such a thing would be possible?—I should say very improbable, until the fact spoke for itself; from surmise, I should say it was a thing that could not easily occur, but that by *smuggling* a ship might manage to introduce goods in that way.

550. You have stated, that the Chinese government have issued many edicts against smuggling; have those edicts been carried into force, or not?—They certainly have, to the utmost capability of the weak Chinese government. I would say that they have rather shown the hostility of the Chinese government to the system, than that they have been very effective in suppressing it.

551. Do you consider that smuggling has been decreased by them, or the contrary?—I should say that the weak and ill-organized government of China cannot follow up its edicts by a corresponding effectiveness; and they have probably, in a great measure, proved unavailing.

552. You stated that the Americans laboured under disadvantages in their intercourse with Chinese; what inconvenience can you state ever to have arisen from the intercourse between the Americans, carried on as it is, and the Hong merchants?—They have suffered very severe distress and misfortune in the case of a homicide from their want of union.

553. In their commercial transactions, to what disadvantages are they subject?—I should simply argue from the ruin of American houses engaged in Chinese commerce, that the commerce has been a losing one.

554. Then you have no reason to suppose that there is any difficulty whatever in the Americans carrying on their transactions with the Chinese in Canton, but only that the result of the trade is probably a losing one?—A great many inconveniences. They cannot make their grievances known to the government.

555. Have you ever known any inconvenience arise to them from that?—Yes; I have known individuals attempt to communicate their grievances in the written character; and the document which contained that character was returned to them unopened.

556. Has their trade ever been interrupted in their transactions with the Hong merchants?—Very much indeed in the year 1821.

557. Has there been any other case besides that?—Yes; I believe that very considerable delay has arisen from the prices demanded for the teas not being suited to the Americans; and they have been obliged to hold back for long periods.

558. In

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558. In those cases have the Hong merchants yielded?—It was not with the Hong merchants that they have generally dealt, but principally with unlicensed people, contrary to the regulations of the government. Of course they *have* dealt with the Hong merchants occasionally, as well as with the others.

559. In the cases to which you allude, in which, as you say, a sort of stand has been made, have the Americans generally obtained the tea at their own prices, or have they been obliged to come to the prices of the Chinese?—I should think they must have given in, in most cases; but I cannot speak with the same correctness to the transactions regarding the Americans and Chinese as I can with regard to our own transactions.

560. When the East India Company ship a quantity of woollens to China, do they send you an invoice of these goods?—They do.

561. Do you add to that the charges of freight, &c. as in a common mercantile transaction?—It is all calculated in the invoice.

562. And then you turn that over into the money of the country?—Yes, and endeavour to get the best price we can.

563. Do you turn it over at the current exchange, or at the 6*s.* 8*d.*?—We turn it over at 6*s.* 8*d.* a tale.

564. Is 6*s.* 8*d.* the current exchange?—It is the value which has been settled for many years.

565. How far does that calculation of 6*s.* 8*d.* vary from the real rate of exchange within your knowledge?—The rate of exchange at Canton, in the case of the dollar, has been very fluctuating since I have been in the country, and has fallen since the war.

566. Supposing you turn over the invoice amount of goods into tales at the rate of 6*s.* 8*d.* and the current exchange is either above or below that, must it not give you a false result?—The exchange of dollars is only with regard to the dealings of foreigners at Canton, and foreigners elsewhere. It has nothing to do with the value of silver among the Chinese. The fluctuations in the value of the dollar have had nothing to do with the value of silver on the spot among the Chinese themselves.

567. How do you sell the woollens; for so many tales, or so many dollars?—The woollens are generally sold in tales.

568. Which are carried to the credit of the East India Factory's account, at the rate of 6*s.* 8*d.*?—Yes.

569. Whatever be the real rate of tales at the time?—The value of the goods in dollars is found by turning over their price in tales into dollars. I still say that the fluctuations in the value of the dollar can have no reference to the value of money among the Chinese; they are simply in reference to the exchange with the countries to whom those foreigners wish to remit the dollars: it is an affair entirely between the European in China and the European in Europe, or elsewhere; they have no reference whatever to the value of the money among the natives.

570. How do you get at the profit and loss on these woollens, because the woollens are sold in tales; how do you turn those tales over into English money?—The tale is a nominal value; there is no coin of that kind; it is a weight of silver, and not a coin.

571. Why do you say that the tale varies in value?—The value of money must necessarily vary among the Chinese; but the fluctuations in the exchange of the dollar at Canton have no reference whatever to the fluctuations in the value of money among the Chinese.

572. Are not those woollens always sold for so much money?—They are sold nominally in tales.

573. Without any reference to the return in tea?—Certainly; it is not a barter transaction.

574. Are they generally sold to different people?—They are sold to all the Hong merchants in the same proportion in which those Hong merchants receive our woollens. The supply of tea on the part of the Hong merchant is proportioned to the quantity of our manufactures which he takes from us; and that is the inducement to him to take our manufactures; because the more he takes of our goods the more we take of his tea; the tea is a gaining transaction to him.

575. So that although not really a barter, it is in effect a barter?—No; because we take much more of tea than we sell of manufactures.

576. Do you buy tea of any parties to whom you do not sell woollens?—No,

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we buy tea of all the Hong merchants, and we sell manufactures to all the Hong merchants. The quantity which they take of the manufactures bears a proportion to the quantity of their contract teas.

577. Are the prices of the contract teas higher or lower generally than that of the tea which is bought upon the spot?—The quality is superior, and therefore the price is higher.

Martis, 23° die Februarii, 1830.

Charles Marjoribanks, Esq. again called in; and Examined.

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578. CAN you state the prime cost of the different sorts of tea per pound paid by the Company, in any given year, at Canton?—I cannot state from recollection; but the Company's books from China will distinctly show it. The common price of contract Congo teas, which forms the bulk of the investment, is 25, 26, 27, 28 and 30 tales per pecul; that is, 133⅓ lbs.

579. How is that price settled; is that according to the market price at Canton, or according to a contract?—There are three fifths of the Company's Congo teas which are contracted for with the Hong merchants in the previous season to the season in which they are delivered; and two fifths of the Congo teas consist of old teas, which are purchased at the conclusion of the season. These teas are contracted for by the Hong merchants with the tea merchants, the particular descriptions of teas that the Company require being described to them. Upon the arrival of those teas in Canton they are subjected to every possible scrutiny which is supposed to be desirable, to ascertain their quality, when the prices given for them are established.

580. Upon what rule are the prices established?—Upon the quality of the teas, founded on the reports of the tea-inspectors.

581. Is that with reference to the price in the market at Canton?—Not in the case of the contract teas.

582. For what length of time are the contracts generally entered into?—The contracts are concluded with the Hong merchants in the month of March for teas to be delivered in the ensuing season.

583. Is it then an annual contract?—It is annually made.

584. Are there considerable variations in the contract from year to year?—The amount quantity varies according to the varying demand; the prices are not fixed until the teas are delivered.

585. Then is it a matter of agreement between the tea-inspectors and the Hong merchants what the price of the tea shall be in each year?—Not at all. It is a matter of agreement between the Company's select committee and the Hong merchants. The reports of the tea-inspectors are made to the select committee; the members of that select committee are present in the Tea Hall where those examinations take place; they hear the reports of the tea-inspectors, and are principally guided by their reports; but the tea-inspector has nothing whatever to do with the settlement of the price of tea; that rests entirely with the committee.

586. The settlement of the price of tea is an annual settlement?—It is an annual settlement, so far, that I think I stated that for the teas of a certain quality, and certain description, certain prices were given; those prices were not determined according to the character of the tea given by the Hong merchant, but according to the real character which it was found to deserve after inspection.

587. Are those the contract teas?—The contract teas, and every tea that comes in the Company's investment; the price of that is not established by any old standard, but by the real merits of the tea itself.

588. Is that an annual settlement; and do the prices, in point of fact, vary much from year to year?—The prices do vary.

589. Do they vary considerably from year to year?—They so far vary that in some seasons we have a very good supply of teas, and in other seasons an inferior supply; and in those seasons of course the price paid for them is less.

590. Can you give an instance of the variation from year to year?—No, I cannot charge my recollection; I should be sorry to speak to any thing which can be shown so much more accurately by printed statements.

591. Do you mean that there is an invariable price for best, an invariable price for moderate, an invariable price for the inferior sort of tea, and that the only variation in the price is according to the proportion which the best, the moderate, and the

the inferior bear to each other, when they are brought in?—If I were to endeavour to give the characters of the teas employed in China, I believe they would not be intelligible to this Committee. The terms employed are found useful in rating the qualities of the teas, and the teas that are found to deserve those characters are placed under them, and the prices given for them are according to the quality which it is found the tea really possesses.

592. Do you mean to say that there is an invariable price paid year by year for the same quality of tea, or that the same quality may one year with another fluctuate in its price?—That applies to some of the teas, but not to all.

593. Will you state to what teas that does not apply?—The question is in some respects complex; as the teas which are purchased as winter teas are received by different standards from the teas which are purchased under contract. Those general questions do not apply to the tea investment generally.

594. Can you give the Committee the names of the teas, and the average amount of the teas which are subject to that contract, and which are excluded from it?—Congo as well as Twankay teas. The part of the investment consisting of contract Congo is about 120,000 chests annually.

595. What is the quality of the Congo tea?—It is a remarkably good black tea; but Congo is a general term; there are several different classes of Congo.

596. What may be the average export of Congo tea from Canton on the part of the Company?—Upwards of 200,000 chests; but this is not all contract Congo; there is a good deal of that winter Congo.

597. What proportion would the winter Congo bear to the contract Congo?—The winter purchases of the Company are, I think, from 90,000 to 100,000 chests.

598. With respect to Bohea, what proportion does the contract tea, of the sort called Bohea, bear to the winter Bohea?—There is no winter Bohea. The Bohea tea is a lower description of tea, which is used as a flooring for the Company's ships; the proportion of that to the general investment is very small. I am unwilling to state the proportion, unless I could state it perfectly accurate; but it is proportionably small.

599. Is not the Bohea tea commonly estimated at about 9*d.* a pound in the prime cost?—We buy it at from 14 to 17 tales a pecul.

600. What is the price of Congo tea paid by the Company?—At present the Company's price is at 25, 26, 27, 28 and 30 tales per pecul.

601. Do you speak of the tale at 6*s.* 8*d.*?—I speak with reference to the conventional value of the tale at 6*s.* 8*d.*; but I do not consider the tale to have that value. I should say, in explanation of the value of a tale, that I believe if a tale weight of dollar silver were melted down, and 6*s.* of English money were also melted down, that they would yield nearly equal parts of pure silver; which, according to that estimate, would not give the tale at more than 6*s.*, as compared with English money.

602. Can you state the proportion that the port charges at Canton would bear upon a pecul of Bohea tea?—No, I cannot from recollection.

603. Can you state at what rate Bohea tea is put up here?—I only know from the papers before Parliament; I have no personal experience of the India House sales. With respect to the prices of Congo tea, I may state that in the year 1825 the Company's prices of Congo teas were reduced one tale per pecul upon every class of teas; and the result of that was a saving upon the Company's investment of about 20,000*l.* sterling per annum.

604. Did the same reduction in price take place in other teas; Bohea, for instance?—Not at that period.

605. Subsequently did a fall in price take place in Bohea teas?—The price has varied; but I do not remember the precise variation.

606. Can you state the prime cost of Souchong tea?—30, 32, 34, 36, 38, 40 tales per pecul.

607. Are there any copies kept of the accounts sent home by the select committee?—All accounts with reference to the Company's purchases are regularly sent home.

608. Can you state what the Canton charges consist of?—The charges for the establishment of the Factory, the Factory rent, the wages of Chinese in the Company's employ; and there are certain charges on merchandise, which enter also to some amount into these charges, boat-hire to carry teas to the ships, linguists fees, marking Company's chests, &c.

609. Can you state the amount of them in any one year?—I think the charges I speak of generally amount to about 100,000 dollars.

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610. Is not the tea taken from the Hong merchants, who receive English goods in return, upon certain shares of which the Hong merchants have a certain quantity?—The Company's business is divided into 21 shares, which is apportioned differently amongst the different Hong merchants. The quantity of teas supplied by them upon contract is in proportion to those shares.

611. Are not the English manufactured goods, which they receive in return, also apportioned in certain shares?—With the greater part of the woollens that is the case.

612. Is it the fact then that each merchant who has a certain proportion of this trade delivers a certain quantity of tea, and receives a certain quantity of goods?—No, I did not state it in those terms.

613. Can you give the Committee an account of the share which any one individual has had in furnishing tea to the Company?—I can state what the shares of the merchants are; the senior merchant has four of the twenty-one shares, the next four in succession have three, and the remaining two merchants have two and a half shares each.

614. What is the amount of a share?—It depends upon the extent of the investments.

615. Is it equally divided according to the investment of the year?—The Company's business is divided into 21 shares, apportioned as I have stated.

616. Do the Hong merchants that furnish this tea all of them receive a certain quantity of woollens or other articles imported by the Company into Canton?—No; all the imports are not regulated in the same way; they have received the greater proportion of Company's woollens according to their shares, for a distinct and decided reason, that the merchants have always complained that the woollens which they have received have been no gain to them, and on some occasions a loss; therefore it has been considered equitable that the merchants who have the largest portion of the teas received from them, should take in return the largest proportion of British manufactured goods.

617. In point of fact, each individual, having a share of the tea trade, does receive a certain proportion of woollens from the Company?—He receives his proportion according to the proportions I have stated.

618. In the settlement of the account between the Company and those individuals so furnishing a portion of the tea, and receiving a portion of woollens, how is it conducted?—It is conducted upon the same principle as other mercantile transactions. The merchants, who deliver more in value than they receive, have the balance paid to them.

619. But the one, as far as it goes, is set off against the other?—Not always; generally speaking, it is so. There have been sometimes importations on the Company's account at the period when no teas have been received. Of course, the merchants who have received the goods as imported would be required to pay the amount value of them into the Company's treasury.

620. In all those cases in which there have been accounts on both sides between the Hong merchants and the supercargoes and woollens, a balance is struck between them, estimating the woollens at a given price, and the tea at a given price?—I scarcely understand the question. The trade, in cases where goods are received and delivered, is conducted on similar principles to those applying to mercantile transactions all over the world—the debtor and creditor account is settled between the parties.

621. In what way is the value of the woollens estimated by the supercargoes?—They receive information as to prices of the woollens in the markets of China from the Hong merchants, as well as from other sources which are open to them. Though the Company's servants are confined in their commercial transactions to the Hong merchants, their ears are open to information from every quarter which may be considered one of intelligence. They are aware of the state of the China market for woollens and any other description of goods.

622. Is the value of woollens settled by the select committee upon such evidence as they obtain?—It is adjusted between them and the Hong merchants. The Hong merchants have frequently been required to receive woollens when they have made very serious objections to it.

623. Are any of those woollens ever sold by the Company to any other parties than the Hong merchants?—I think not. A small experimental consignment of some goods may, upon some occasion, have been sold to some other person, but the commercial transactions of the Company in buying and selling are confined to the Hong merchants.

624. Then

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624. Then it follows that the price settled between the supercargoes and the Hong merchants must be a price which is obtained from information about the market, and not from actual dealings in the market on the part of the supercargoes?—The supercargoes do not go into the retail market to sell the cloth, but they receive information from every source which is open to them, and according to their information they are guided in the adjustment of prices. I believe the supercargoes have equal means of obtaining general information in China with other persons.

625. The fact being that it is a sale by one party possessing a monopoly to another party possessing a monopoly?—That is a question which involves the word *monopoly*, to which different persons give different significations. The Company's is a monopoly in some respects, and not in others.

626. In what respect is the Company's trade with China not a monopoly?—British ships from every port in Asia are permitted to arrive in China; the Company have allowed British merchants to remain in China with and without the diplomas of foreign consuls; they have given every encouragement to British commerce in China. There are very numerous instances which can be stated where the Company has not what is called a monopoly, in an invidious sense of the word. I conceive under the protection of the Company the British trade generally at Canton has originated and has been preserved.

627. Then so far as the free trade is concerned, is there not a monopoly on the part of the East India Company for the export of teas to all parts of the British possessions?—There are powers vested in the Company by acts of the Legislature, to trade exclusively from the dominions of the Emperor of China in tea. The Company, however, give tea-licenses to country ships, which proceed to different ports in Asia, to carry teas there for the consumption of those ports: in these, New South Wales is included. I may state, with regard to the word "monopoly," that since I have been acquainted with China I have never known a Company's servant there to show the least wish unnecessarily to restrict the limits of British commerce, or to interfere with the fair trader, as long as he conducted himself in a manner that could not endanger the general trade in Canton.

628. By whom are the licenses to export tea from Canton to India given?—By the select committee.

629. Is not also the furnishing woollens to the Hong merchants a trade exclusively in the hands of the Company, in so far as that can be carried on by Britons?—No: they allow their captains and officers to import woollens into China, and I know no prohibition against their being imported into China in country ships.

630. Is not there a prohibition of the export of woollens?—I do not understand the question.

631. Is it not the fact that they were prohibited by the English law?—I am not accurately acquainted with the provisions of the English law. I do not imagine that the Company ever exercise any power which is not vested in them by the Legislature. I do not remember that their representatives in China interfered in the importations of private ships.

632. Can you state the amount of tonnage allowed to the officers of the East India Company to export goods from England or India to Canton?—I can only speak from recollection of what can be much more accurately shown by documents; but I think the Company allow their officers two fifths of the ship's tonnage upon their own account, from port to port in India. I do not remember the precise amount of tonnage granted to the commanders of direct ships, but the Company's direct ships rarely go out with full cargoes; and no refusal is, I believe, given by the Company to officers exporting any goods upon their own account, which they may be desirous of doing.

633. Can you state the actual price at which cloth of different descriptions was sold to the Hong merchants in any given year by the supercargoes?—I must plead defect of memory on those subjects; those statements are all regularly sent home.

634. Can you furnish that statement to the Committee?—I can do so.

635. Have the Company exported any cotton yarn to China within the last few years?—The exports of cotton yarn to Canton the year I left China had been very limited; the Company exported cotton yarn as an experimental consignment; but it was only within the last two years that it has been introduced into China. I may refer the Committee to a general statement of British trade at Canton; I have here a Statement of British trade at the port of Canton for the year ending the 30th of June 1828, which shows the precise amount of the trade on the Company's and private account.

[*The witness delivered in the same.*]

CORRECTED STATEMENT of the BRITISH TRADE at the

IMPORTS
on account of
The Honourable Company.

Imports remaining over Season 1826-1827:

Long ells	*tales,*	197,222
Worleys	—	26,000
Camlets	—	68,904
	tales,	292,126

Imported by Country Ships, 1828-29:

Cotton, Bengal	*bales.*	*peculs.*	*tales.*
	16,642	35,251	324,559

Per H. C. Ships:

Cotton, Bengal		34,962
Ditto Madras		387
Ditto Bombay		32,046
	peculs,	67,395

p' H. C. Ships:

	peculs,	14,252
	—	12,574
	—	21,566
	—	1,260
		142
	—	665
	—	1,455
	—	1,158
	—	136
	—	3,552
	catties,	25
	peculs,	4,188
	—	2,084
	—	3,019
	—	70
	dollars,	18,000
	—	33,617
	—	8,400
	—	25,527

Opium, p' Portuguese Ships, 1827-28:

Dumaun	*chests,*	1,988
Company's Patna	—	73
Ditto - Malwah	—	413
	chests,	2,474

Opium on hand, 1st July 1828:

Patna	*chests,*	2,482
Benares	—	421
Malwah	—	1,532
	chests,	4,435

				tales.	*dollars.*
Broad cloth	*bales,*	4,154	*yards,*	431,816	553,650
Long ells	—	5,003	*pieces,*	100,060	578,760
Worleys	—	300	—	6,000	39,000
Camlets	—	470	—	4,700	98,136
Mohair camlets	—	2	—	15	486
British calicoes	—	612	—	15,300	77,112
Blankets and scarfs	—	2	—	71	204
British Iron			*peculs*	30,261	104,430
Lead			—	30,246	124,472
Cottons, Bengal	—	39,336	—	86,312	798,554
Ditto Madras	—	12,029	—	27,065	240,917
Ditto Bombay	—	22,486	—	62,829	621,725
Sandal-wood	*billets,*	32,654	—	1,873	16,203
				3,253,649	4,518,957

ON PRIVATE ACCOUNT:

Cotton, Bengal	*pec.*	41,487, at 9 *t.* 6 *m. p' pec.*	*ts.*	398,275	
Ditto Madras	—	387, at 9 *t.* 5 *m.*	—	3,676	
Ditto Bombay	—	228,664, at 9 *t.* 2 *m.*	—	2,103,709	
				2,505,660	3,480,083
Opium, Malwah, *chests* 3,080, at 1,185 *drs. p' ck.*			*drs.*	3,649,800	
Ditto Patna & Benares 7,191	—	1,056	—	7,593,696	
				dollars. 11,243,496	

Pepper	*pec.*	14,252, at	7	*drs. p' pec.*			99,764	
Rattans	—	14,614	—	5	—		73,070	
Betel-nut	—	31,800	—	2 ¼	—		71,550	
Putchuck	—	1,334	—	12	—		16,008	
Sharks fins	—	2,030	—	18	—		36,540	
Olibanum	—	522	—	5	—		2,610	
Blackwood	—	700	—	6	—		4,200	
Sandal-wood	—	5,150	—	20	—		103,000	
Ivory	—	762	—	80	—		60,960	
Saltpetre	—	1,200	—	5 ½	—		6,600	
Cloves	—	196	—	60	—		11,760	
Flints	—	3,552	—	2	—		7,104	
Amber, very inferior	*catties*	25	—	12	*drs. p' cat.*		300	
Iron	*pec.*	4,188	—	2 ½	*drs p' pec.*		10,470	
Lead	—	2,084	—	6	—		12,584	
Tin	—	3,019	—	20	—		60,380	
Speltre	—	70	—	10	—		700	
Broad cloth	*yds.*	25,725	—	1 & 2	*drs. p' yd.*		34,467	
Woollens, various kinds							25,775	
Cotton goods, British long cloth, &c.							66,487	
*Cotton yarn	*pec.*	214	-	(invoice cost)			14,000	
Pearls; estimated value							48,400	
Cornelians - ditto							51,500	
Clocks and machinery; ditto							84,000	
Rice, Manilla	*pec.*	3,000, at	2	*drs. p' pec.*			6,000	
Rhinoceros horns, and cows horns	—	36	—	60	—		2,160	
Fish maws	—	210	—	75	—		15,750	
Myrrh	—	48	—	15	—		720	
Sundries; estimated value							195,285	
							12,365,560	

Dollars 20,364,600

* This cotton yarn was returned to Bombay.

Port of *Canton*, for the Year ending 30th June 1828.

EXPORTS.
on account of
The Honourable Company.

	tales.
Unloading-charges	13,689
Factory expenses	75,954
European Establishment	5,982
Expenses of schooner	1,205
tales,	96,830

p' H. C. Ships to England

Bohea	*peculs,* 28,967	*ts.*	437,552	
Congo	161,545		3,935,447	
Souchong	1,605		60,229	
Twankay	38,617		1,043,758	
Hyson	4,603		236,333	
Hyson-skins	1,611		43,553	
				5,756,872
North American investment, including supra-cargoes commission			309,808	
Cape stores, teas and sundries			29,168	
St. Helena stores, and stores to Bengal and Bombay			9,237	
				348,213
Port-charges on 28 ships (Boyne included)			109,004	
Unloading-charges, Canton Factory expenses, Canton European establishment, expenses of schooner, &c.			96,830	
				205,834
				6,310,919

ON PRIVATE ACCOUNT:

Congo	*pec.* 5,666, at 21 *ts. p' pec.*	*ts.*	118,860	
Campor, Souchong Pouchong	3,110 – 32		99,520	
Pekoe	464 – 38		17,632	
Twankay	602 – 26		15,652	
Hyson	2,628 – 46		120,888	
Hyson-skins	945 – 26		24,570	
Gunpowder	60 – 50		3,000	
Black tea	860 – 30		25,800	
Green tea	1,735 – 42		72,870	
				tales. 498,792
Raw silk, Nankin	1,834 – 450 *drs.*	*drs.*	825,300	
- D° - Canton, of sorts	1,736		319,920	
				dollars. 1,145,220

p' Country Ships

Nankeen cloth, large brown	*pieces,* 396,400, at 98 *drs. p'* 100 *pieces*		388,472	
Nankeen cloth, 2d sort	325,400 – 75		244,050	
Nankeen cloth, 3rd sort, small	36,200 – 48		17,376	
				649,898
Sugar Candy	*pec.* 9,420, at 12 drs. *p' pec.*			113,040
Soft Sugar	34,139 – 6			204,834
Cassia lignea	3,648 – 20			72,960
Tortoiseshell	56 – 1,000			56,000
Mother-of-pearl	275 – 15			4,125
Wrought silk, silk piece-goods, crapes, scarfs, &c.; estimated value				200,925
Coarse china-ware			d°	49,100
Bamboos and Whangee canes	241,000 – 15 *drs. p'* 100			3,615
Musk	*catties,* 90 – 80		*p' catty*	7,200
Glass beads, &c.	*peculs,* 800 – 20		*p' pec.*	16,000
Table and floor-mats	*sets,* 2,320			3,584
Vermillion	*boxes,* 460 – 44		*p' box*	20,240
Rhubarb	*peculs,* 262 – 65		*p' pec.*	17,030
Cochineal	147 – 500			73,500
Damasks	*pieces,* 5,000 – 16		*p' piece*	80,000
Writing paper, toys, kittysols, fireworks, lacquered wares, &c.; estimated value				38,086
Seed coral	*catties,* 36, at 30 *drs. p' catty*			1,080
Brass foil	*peculs,* 265 – 58		*p' pec.*	15,370
Alum, aniseed, China root, galengal, gamboge, &c.				15,702
Gold	*tales weight,* 300, at 25 *drs. p' tale*			7,500
Camphor	*peculs,* 885 – 30		*p' pec.*	26,550
Sundries; estimated value				47,795
Dollars, Sycee and Peruvian silver				6,094,646
				8,964,000

p' H. C. Ships - *peculs,* 1,706

pieces, 227,800

– 56

– 275

dollars, 31,500

241,000

table, 1,660 - *floor,* 660

peculs, 119

– 262

pieces, 5,000

catties, 36

dollars, 2,270

Remittances through the Company's Treasury, 1827-8 and 1828-9:

	dollars.
Bills on the Hon. court,	78,201
Certificates	447,143
Bill on the Bengal gov^{t}	2,417,560
dollars,	2,942,904

Command on coast and bonds - *dollars.* 671,068

Disbursements on nineteen regular ships, at *drs.* 9,000 each; eight chartered and thirty-nine country ships, at *drs.* 7,000 each, measurement of country ships included - 500,000

18,921,932

Balance - - - 1,442,668

Dollars 20,364,600

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636. Does that show the quantity of cotton yarn imported?—There is cotton yarn imported on private account in this year to the amount of 14,000 dollars.

637. Does the private trade include the trade of the Company's officers?—It does.

638. Can you state the amount of cotton yarn imported in the subsequent year?—I can furnish the Committee with it, but I have it not with me.

639. Do you know what the numbers were of the cotton yarn that were exported?—I do not remember the precise numbers, but the Chinese objected to very fine descriptions of cotton yarn, inasmuch as they could not work it up in their cloths.

640. Can you give the Committee any account of the cotton piece-goods imported?—In the year 1828 it is given to the amount of 66,487 dollars.

641. You stated that the Hong merchants take a certain proportion of the Company's woollens in proportion to the quantity of tea furnished: is the contract for taking the woollens made at the same time with the contract for furnishing the tea?—The price of the woollens is settled at the period at which the woollens are delivered to the merchants; the contract for the teas is made the year previously, and the prices adjusted when the teas are delivered.

642. The contract for the price of teas is not made at the same time with the contract for the price of woollens?—The prices of teas and the prices of woollens have no reference to each other; they are established separately.

643. Does raw or manufactured produce find the best market at Canton?—Raw produce, generally speaking.

644. Is that because the Chinese government wishes to protect its own manufactures?—I conceive the Chinese government have a disposition to protect their native industry and own manufactures. I should be led to draw that conclusion from the very high duty which is placed upon the article of camlets; the sale price of which in China is generally about 40 dollars, and the duty upon it is 18 dollars, being nearly 50 per cent upon the sale value. The camlet is the nearest approximation to the silk manufactures. We do not possess the same power over the Chinese as we do over our Indian empire. We have excluded the manufactures of India from England by high prohibitory duties, and given every encouragement to the introduction of our own manufactures into India. By a selfish (I use the word not invidiously) policy we have beat down the native manufacturers of Dacca and other places, and have inundated their country with our own goods. We do not possess the same power over China; we may exclude their manufactures by high duties, but we cannot compel the Chinese to receive ours on our own terms. I should think they have sagacity enough to protect themselves.

645. Do the Chinese object to the English calicoes as not equally durable with their own?—Yes, they consider them more flimsy and less durable.

646. Are those camlets frequently smuggled into the country?—Very frequently, from the very high duty and consequent temptation.

647. Are you acquainted with the manufactured calicoes of India?—I have seen them.

648. Are they not superior in point of strength to those which are exported from this country?—I cannot speak to that point.

649. You have stated that the assumed value of the tale by the East India Company is 6 *s.* 8 *d.*; can you state what is the assumed value of the tale by the Americans?—All the American purchases and sales are conducted in dollars and cents, without any reference to the tale.

650. Besides camlets, what other articles of British manufacture are subject to duty in China?—All articles. I speak of camlets as being subject to an extraordinary high duty; and I account for that by its being a nearer approximation to their silk manufactures than any other article of British manufacture which is imported into China.

651. Is the duty upon calico what you would call a high duty, with reference to the duty upon camlets, for instance?—No; the duty on camlets is higher in point of relative value.

652. How is New South Wales supplied with tea?—By licenses, which are granted by the select committee in China to private ships which carry tea to New South Wales.

653. Is it a direct trade. Have you a list of Chinese duties?—It is generally a direct trade, though sometimes the ships stop at Batavia. I have here a list of Chinese

Chinese duties said to be charged by the Hong merchants on goods imported into Canton. I believe this list of Duties to be compiled from as accurate sources as possible. I have heard private British merchants resident in Canton declare the very great difficulty they had in ascertaining the accuracy of the Chinese duties. I beg to state that that list of duties was acquired entirely from my own private information, with no view to laying it before a Committee of the House of Commons.

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[*The witness delivered in the same, which was read as follows:*]

Estimated LIST of DUTIES charged by the Hong Merchants on Goods imported into Canton.

	t.	*m.*	*t.*	*m.*	*c.*	*c.*		£.	*s.*	*d.*	*Lbs. Avoird.*
Cotton	1	3 at	1	5	0	0	p' pecul	–	8	8	at 10/ p' 133 1/3
Sandal-wood			2	1	0	0	–	–	14	–	ditto.
Black wood or ebony			0	4	9	0	–	–	3	3.20	ditto.
Japan wood			0	6	3	0	–	–	4	2.40	ditto.
Camphor, 1st sort			109	2	3	2	–	36	8	2.56	ditto.
2d –			1	9	7	0	–	–	13	1.60	ditto.
Olibanum			1	2	0	0	–	–	8	–	ditto.
Putchuck			2	1	0	0	–	–	14	–	ditto.
Myrrh			2	2	3	4	–	–	14	10.72	ditto.
Cutch			0	8	4	5	–	–	5	7.60	ditto.
Tortoise shell			7	0	0	0	–	2	6	8	ditto.
Elephants teeth			5	8	6	1	–	1	19	0.88	ditto.
Rhinoceros horns			24	0	2	1	–	8	–	1.68	ditto
Buffalo d°			12	0	8	7	–	4	6	0.96	ditto.
Mother-of-pearl shells			0	4	3	6	–	–	2	10.88	ditto.
Birds nests, 1st sort			24	1	3	2	–	8	–	10.56	ditto.
2d –			4	5	0	0	–	1	10	–	ditto.
Bicho do Mar			0	7	1	8	–	–	4	9.44	ditto.
Shark-fins			1	0	9	1	–	–	7	3.28	ditto.
Fish-maws			1	3	2	0	–	–	8	9.60	ditto.
Rattans			0	4	3	6	–	–	2	10.88	ditto.
Pepper			0	9	8	3	–	–	6	6.64	ditto.
Betel-nut			0	3	9	6	–	–	2	7.68	ditto.
Cloves			5	8	1	0	–	1	18	8.80	ditto.
Nutmegs			4	4	0	9	–	1	9	4.72	ditto.
Tin			1	6	8	9	–	–	11	3.12	ditto.
Iron			0	2	8	0	–	–	1	10.40	ditto.
Copper			1	2	9	0	–	–	8	7.20	ditto.
Lead			0	6	8	6	–	–	4	6.88	ditto.
Steel			0	7	0	2	–	–	4	8.16	ditto.
Quicksilver			1	4	4	4	–	–	9	7.52	ditto.
Amber, large			13	4	1	3	–	4	9	5.04	ditto.
small			6	7	8	3	–	2	5	2.64	ditto.
Coral beads			132	7	5	3	–	44	5	0.24	ditto.
Branch, 1st sort			132	5	1	3	–	44	3	5.04	ditto.
2d –			79	7	1	3	–	26	11	5.04	ditto.
3d –			13	4	1	3	–	4	9	5.04	ditto.
4th, or fragments			6	7	8	3	–	2	5	2.64	ditto.
Cotton handkerchiefs, large			0	0	3	0	each	–	–	2.40	each.
small			0	0	1	5	ditto	–	–	1.20	ditto.
Long cloths, 1st sort			0	6	7	0	piece	–	4	5.60	p' piece.
2d –			0	2	9	0	ditto	–	1	11.20	ditto.
Broad cloth			0	6	7	8	p' 10 covids	–	4	6.24	p' 10 ft. 5 in.
Kerseymere			0	4	0	6	ditto	–	2	8.48	ditto.
Camlet, English			0	8	4	0	ditto	–	5	7.20	ditto.
Dutch			1	4	7	6	ditto	–	9	10.08	ditto.
Long ells			0	2	7	0	ditto	–	1	9.60	ditto.
Scarlet cuttings			6	0	7	0	p' pecul	2	0	5.60	p' 133 1/3 lbs.
Bees-wax			1	7	9	0	ditto	–	11	11.20	ditto.
Land-otter skins			1	8	1	2	p' 100	–	12	0.96	p' hundred.
Sea-otter skins			1	3	1	5	ditto	–	8	9.20	ditto.
Rabbit skins			0	4	6	2	ditto	–	3	0.96	ditto.
Beaver skins			6	1	2	0	ditto	2	–	9.60	ditto.
Ginseng			48	9	0	0	p' pecul	16	6	–	p' 133 1/3 lbs.
Cudbear			0	2	8	0	ditto	–	1	10.40	ditto.
Cochineal			1	9	2	9	ditto	–	12	10.32	ditto.

N. B.—The China rates are reduced into sterling at 6/8 per tale. The covid is equal to 12 1/2 inches; and the pecul to 133 1/3 pounds avoirdupois.

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654. Could you, from an inspection of this document, state to the Committee the amount per cent of the duties upon the value of any of these articles?—I can have it rated, but I could not immediately state it.

655. Are those fixed duties, or do they vary in different years?—We have been told sometimes that the duties are charged differently. Every foreign trader has been desirous of paying his own duties, but that has always been prohibited. It was among the requisitions made by Lord Macartney of the Viceroy of Canton, but was then, and has been subsequently refused.

656. Has the duty upon camlets varied materially in your recollection?—I think that has remained steadily at the rate of about 18 dollars per piece.

657. Notwithstanding this high duty, is there much demand for them in China?—There is a considerable demand. I believe it is an article in which smuggling has taken place to a great extent, from the temptation which a high duty always gives.

658. Can you give the Committee any idea of the quantity of camlets that has been imported by the East India Company into China?—It is stated in the Returns.

659. Are the Committee to understand that the whole of the duties that are paid are paid by the Hong merchants upon the vessels for which they go security?—The Hong merchants are responsible for all duties upon foreign trade. With regard to the persons who deal outside of the Hong, their duties can only be paid through the Hong merchants.

660. Have you any reason to suppose that in any instance the duties paid by one merchant are higher or lower than the duties paid by another; or is there any opening for any bargain with respect to the amount of duties?—Not to my knowledge; I should be sorry to say that it were otherwise, from the corrupt nature of the Chinese government.

661. To what then do you ascribe the anxiety you state to have been evinced by individual merchants to pay the amount of their own duties?—It was from a wish to ascertain precisely the amount, and how far they could rely upon that amount with a view to future importations.

662. Does not the secrecy which is observed with respect to the amount of duties make it always open to the government officers to demand more or less from one merchant than another?—I do not know that this has ever taken place. The struggle between the Chinese and foreigners has always been that the Chinese have endeavoured to keep the control of the trade in their own hands; and but for the intervention of the Company, I conceive that the restriction would have been infinitely stricter than it is now.

663. It appears that the importation of camlets has decreased considerably in each year; can you state any reason for that?—A good many Dutch camlets have been imported by Dutch ships. And camlets have also been imported on private account.

664. Has not the smuggling trade in camlets increased?—The smuggling trade in every article has increased within my knowledge to a very great extent.

665. Has it increased chiefly in those articles on which the duties are highest? It has increased chiefly in opium, of which there is a prohibition.

666. Of the rated articles, must not the tendency of the smuggling trade be to increase most in those articles upon which the duty is highest?—Certainly.

667. Is not the duty upon camlets high?—Yes; I have stated it to be nearly 50 per cent on the sale price.

668. Therefore may it not be presumed that the smuggling trade in camlets has increased?—I cannot speak from any certain knowledge of its increase.

669. How many Hong merchants are there?—Seven.

670. That is a lower number than formerly existed, is it not?—Within my recollection I think there have been seven, eight, nine, ten and eleven.

671. What causes have led to the diminution of the number of Hong merchants?—Bankruptcies among them.

672. How do the seven existing Hong merchants stand now with respect to property?—Howqua, the senior merchant, is a man of very large property. The second in the Hong, Mowqua, has been a man of large property, but he is of more questionable property now; I consider him still to be a very sufficient merchant. Puankhequa and Chunqua are both men of opulence. I should say the same of Goqua. Kinqua and Fatqua, the two juniors, I believe to be poor men, and indifferent merchants.

673. Have

673. Have you known any connection existing between the outside merchants and the Hong merchants, by which the capital obtained of the outside merchants is brought to support the lower class of Hong merchants?—I believe that exists.

674. Is not Dr. Morrison the interpreter of the Company?—He is.

675. Is he not also the editor of the Canton Register?—No, I believe not.

676. Is he a proprietor?—Not to my knowledge.

677. Are you acquainted with the statements of commerce which are contained in the Canton Register?—I have seen them.

678. As far as they have come within your information, do they contain accounts upon which reliance can be placed?—Sometimes the information in them is correct, and sometimes incorrect. The Canton Register is like other newspapers in this respect.

679. Do the Hong merchants make any objection to entering into security for the American ships?—The Hong merchants have invariably declared their preference to being security for the Company's ships; they wish to refrain from being security for other ships. I have understood that the Americans, upon occasions, could only get Hong merchants to become security for the ships by agreeing to carry on their commercial transactions with them.

680. In point of fact, do not the Hong merchants become security for a very considerable number of American ships, exceeding 30 in a year?—Every ship that arrives at Canton some Hong merchant must be security for. The American ships of late years have been below 30 in number; only 20 in 1827–28, and below that number, I believe, in the subsequent year.

681. Is there any additional charge made by the Hong merchant upon the American ship, not made upon the British ship, which can measure the indisposition of the Hong merchant to become security for the one as compared with the other?—What I have stated I think in some measure answers the question, that I have known instances where the Hong merchants have declined being security for the American ships, unless the agents of those ships agreed to trade with them. I conceive that afforded the Hong merchants an opportunity of imposing an indirect tax upon the American ships.

682. Where a Hong merchant becomes security for the Company's ship does not the trade of that ship necessarily turn to the Hong merchant?—Not at all.

683. In the case in which the trade of a British ship does not go through the Hong merchant, is it not an arrangement with the assent and permission of the Hong merchant that the trade is carried on with an outside merchant?—If the goods are shipped from Canton they can only be shipped from the warehouse of a Hong merchant, therefore it must be with his sanction. The junior merchants, the poorer merchants, have been those most disposed to permit such shipments; they have often formed connections with the outside men, which have been very injurious to themselves, and injurious to the trade generally.

684. Are the instances numerous in which you have in your experience known the Hong merchants to refuse becoming security for American ships?—The Hong merchants did not refuse to become security; but, they showed an indisposition to become security, which indisposition did not extend to the ships of the Company,

685. How did they evince that indisposition?—By in some instances requiring, I have been told, an indemnity-bond of the captain or supercargo of the vessel; by the Hong merchant requiring, in some instances, that he should be dealt with in preference to any other merchant.

686. How could a Hong merchant become security for a ship without that ship dealing with him?—It is constantly the case with the Company's ships; they become security for the ship, with no reference to their future commercial dealings at all. The merchants become security successively for the Company's ships as they arrive.

687. What is the inducement to the Hong merchant to become security for a ship when he has none of the dealings with that ship put into his hands?—He has no particular inducement to become security for an individual Company's ship, except from the advantages which he derives from the trade generally.

688. Did you ever know a Company's ship to be secured by a Hong merchant, who had not a share in the Company's business?—The Hong merchants have all shares in the Company's business.

689. Are not some of the junior Hong merchants in such a state of embarrass-

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ment as to induce the select committee not to trust them with the management of the shares assigned to them, but that those shares are managed by other more responsible Hong merchants on their behalf?—Not now. In former years, when the juniors have been in difficulties, such has been the case.

690. Do the Hong merchants ever become security for private ships which do not deal with them?—I cannot say that they have not done so.

691. Is there any indisposition on the part of the Hong merchants to give security for country ships?—I may say to a certain extent it has been; for they have required indemnity-bonds upon some occasions to be given by persons connected with the country trade, to protect them against any exactions from the government, in event of deviations from the Chinese regulations on the part of the persons connected with that trade.

692. Did you ever know that course adopted with respect to American ships?—I have been told that it has been; I have been told that indemnity-bonds have been required from American agents.

693. With respect to ships of other foreign countries, Dutch ships for instance, are you aware of any indisposition, on the part of the Hong merchants, to become security for them?—The Dutch trade has been very limited of late years; but I am not aware of any such indisposition.

694. Will you describe the process that takes place upon the arrival of a ship, for the purpose of finding a merchant to become security?—As far as the Company are concerned it has been arranged that the Hong merchants shall successively become security for the ships as they arrive.

695. Within the last two or three years has not one of those Hong merchants become insolvent?—Yes.

696. Which of them is that?—Manhop.

697. Has he still a share of the Company's business?—No.

698. Would Manhop be asked or permitted to secure one of the Company's ships?—He is no longer a merchant; I believe he is at this moment at Elee, in the centre of the wilds of Chinese Tartary.

699. Is not his hong still at Canton, and in the list of the security merchants?—No; he is a bankrupt, and his hong is dissolved.

700. Did he not remain at Canton some time after he became a bankrupt, and compromised with his European creditors?—I believe he was kept in very close confinement by order of the Chinese government for a number of weeks. He was very much addicted to opium smoking, and I believe that was his only consolation.

701. If one Hong merchant failed with money belonging to an European in his hands, are not the Co-hong responsible for that debt by the law of China?—By the law of China, to a limited amount only, to the amount of 100,000 tales: that is the Imperial law, but that has never been acted upon.

702. You have stated that there have been other ports besides Canton where other Europeans have had access, as Amoy; can you state whether the same mode of carrying on business through Hong merchants exists at those establishments as at Canton?—I stated that the Spaniards still possessed the privilege, which I believe to be a merely nominal one, inasmuch as they have taken no advantage of it of late years; therefore no mercantile establishment exists with a view of carrying on trade, because there is no trade.

703. Do you know whether there was an establishment of Hong merchants for the purpose of carrying on trade there?—There is no foreign trade there now whatever, and therefore no merchants. I believe there was in former years.

704. Do you know what was the establishment when foreign trade was carried on?—Upon reference to the records of the Company I have seen a description of persons spoken of, during the early periods of our trade, designated government merchants; those persons have been persons who were put forward by the Chinese government to deal with foreigners, and responsible to the government much in the same way that the Hong merchants are now. The early period of our trade with China shows the commerce very ill conducted, and displays the English character to very little advantage. The Portuguese and Spaniards, the Dutch and English, first appeared on the coasts of China as a race of men eagerly desirous of wealth, but careless of the means by which it was obtained. The Chinese were at all times their masters in the arts of fraud and deception; but it cannot excite surprise that a people

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a people wisely estimating the advantages of peace as the first of blessings which can be bestowed upon a nation, should have regarded the constant contentions of these early adventurers with the contempt and indifference which they deserved.

705. You have given in a table showing that the barter-trade in the year ending the 30th of June 1828, in the port of Canton, amounted to 20,364,000 dollars; can you state what proportion that bears of the whole foreign trade at Canton?—I could give a statement of the amount of American trade, if it were not already before the Committee; and a comparison of the two statements, with that of the Dutch included, would give the result. I should say the British trade at Canton is very considerably beyond all the others.

706. By this statement it appears that the trade on the part of the Company imports 4,518,000 dollars, and that on private accounts including 11,243,000 dollars. The amount by the private individuals is 12,365,000 dollars. Will you state in what manner this account is made up, to enable them to show the amount of imports of opium, when it is a prohibited article?—I have already stated, that though the committee in China are confined in their commercial dealings to the Hong merchants, yet like every other description of persons in their situation they receive information from every source which they consider good; and when they are desired by their employers to furnish them with accounts of the opium trade or others, they consider it their duty to make such inquiries as may elicit the best information upon those subjects. Not dealing in opium themselves, they cannot speak to the practical part, but they receive information from British agents and others who do deal in it. The friendly intercourse which has always existed between the respectable class of British merchants in China, and the representatives of the Company, induces the British merchants to communicate readily information upon those subjects; at least I have always found it so.

707. It is stated here, that 3,080 chests of Malwa opium is valued at 1,185 dollars per chest; in what manner is that valuation obtained?—From the sale. Those prices are not put down by the Company's servants; they are obtained from the British merchants who deal in opium.

708. Are the Committee to understand, that although the trade of opium is prohibited under very severe penalties, yet that the quantity imported, and the prices at which it is sold, is as regularly known as any other article which is authorized and regularly imported?—It is made no secret of; it is generally known by the parties who deal in it, and they communicate it to others. The prices of opium are always given in the Canton Register, a public newspaper.

709. Is it not an instruction from the Court of Directors that no Englishman in China shall in any way be concerned in the importation of opium?—No; there is no such order from the Court of Directors; the Company prohibit any of their own servants from dealing in opium.

710. Are you aware whether any of the Company's marks are put on the chests of opium imported from Malwa and Bengal?—I cannot speak accurately as to the fact. The only time when I have seen opium was when it was taken out of the chest. I do not know that it is so, and I do not know that it is not.

711. Is opium landed in chests in China?—I have understood that on board the country ships they break up the chests and put the opium into bags, in which state it is delivered to the Chinese. The chest is a cumbrous article, and they wish to get rid of it; the chest does not find its way into the Chinese boat; it is I believe left in the ship.

712. Can you inform the Committee how the trade of opium is carried on; the question refers to the transfer of opium from the country ships to the opium-boats?—When I first went to China the opium trade was at Macao, from which it went to Whampoa, and is now confined to the islands at the mouth of the river. The opium smuggling-boats go alongside the ships in the open face of day, and the opium is delivered to them upon their presenting what is called an opium-order from the agent in Canton.

713. Is this trade carried on within the view of the officers of government and the men-of-war boats of the Chinese?—Frequently within the view of the men-of-war boats.

714. Are there boats stationed on the part of the Chinese authorities within reach and view of this trade?—Not regularly stationed: they frequently go and

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come there. They are constantly manœuvring about, and often report to the Canton authorities that they have swept the seas of all smuggling-ships. The ships remain there just the same.

715. Have you ever known any case in which they have interposed to prevent the carrying on of this opium trade?—The Chinese have frequently interposed by the strongest proclamations. I have known some instances in which the opium-boats have been seized, and the crew have had their heads cut off.

716. Has that happened when they have been detected up the river, or at the place among the islands where the trade is carried on?—They have been detected in different parts of the river. They are tried and convicted in a very summary manner. The custom-house officers by whom the opium is seized frequently on such occasions light a fire on the top of a hill in a conspicuous situation. The opium is declared to be burnt, but I believe none of it is put into the fire.

717. Then, in point of fact, the interposition, although it may be connected with the loss of life, does not lead to the cessation of the trade?—No, it does not. The Chinese government, with respect to opium, consider it as a traffic that ought not to exist. An Imperial edict is supposed to be indisputable, and anything contained in it not to be contravened. They never acknowledge it as a trade.

718. Therefore the existence of established laws against foreign trade and against foreigners by no means admits of presumption that the practice is according to the law?—No. Practice and profession are much at variance in China.

719. Then, in point of fact, it may be said that the smuggling trade in opium is carried on with the connivance of the Chinese authorities?—With the connivance of the lower government authorities; I am not prepared to say of the higher authorities.

720. Is that the case in the smuggling of other articles?—Yes, it is.

721. Have you known of seizures being made of opium in the interior of China?—I have heard of them. I believe the opium finds its way to all parts of the empire, and within the walls of the Imperial Palace at Pekin, though it is disclaimed and denounced as a poison.

722. Is it carried on without interruption?—No; it is liable to frequent interruptions. The persons who carry it from Canton are obliged to conceal it about their baggage, to evade the search of the Chinese officers.

723. How can a trade of such an extent be a secret trade?—It is an illicit trade.

724. You have stated that the smuggling trade in opium is confined to the islands at the mouth of the Canton river?—It is there that it is principally conducted; the foreign ships anchor there, and the opium boats go alongside of the ships there.

725. Is it carried on at any other parts of the coast?—I have known opium-ships go along the coast with a view to disposing of opium, but I believe unsuccessfully.

726. Is the smuggling trade in other articles carried on in any other parts of the empire?—Not to my knowledge; it is all at Canton.

727. Was there not a ship called the Merope freighted with opium?—I remember a ship of the name of Merope, in China.

728. Did not that ship sail to the northward, and dispose of her cargo somewhere about the ports of Amoy and Ning-po?—I heard that she went along the coast, but the extent of her cargo I am not aware of.

729. Have you ever known the Hong merchants deal in opium?—Never, to my knowledge.

730. Do you understand the consumption of opium in China to be rapidly increasing?—Very rapidly. I think I stated that the year I left China the importation of opium was supposed to be between 13,000 and 14,000 chests, which was a very considerable increase. I have a statement of the consumption and value of the Indian opium in China, from 1818–19 to 1827–28.

[*The witness delivered in the same.*]

STATEMENT of CONSUMPTION and VALUE of INDIAN OPIUM in CHINA, from 1818–19 to 1827–28.

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	PATNA and BENARES.		MALWAH.		TOTAL.	
	Chests.	Value.	Chests.	Value.	Chests.	Value.
		Dollars.		*Dollars.*		*Dollars.*
1818–1819 -	3,050	3,050,000	1,530	1,109,250	4,580	4,159,250
1819–1820 -	2,970	3,667,950	1,630	1,915,250	4,600	5,583,200
1820–1821 -	3,050	5,795,000	1,720	2,605,800	4,770	8,400,800
1821–1822 -	2,910	6,038,250	1,718	2,276,350	4,628	8,314,600
1822–1823 -	1,822	2,828,930	4,000	5,160,000	5,822	7,988,930
1823–1824 -	2,910	4,656,000	4,172	3,859,100	7,082	8,515,100
1824–1825 -	2,655	3,119,625	6,000	4,500,000	8,655	7,619,625
1825–1826 -	3,442	3,141,755	6,179	4,466,450	9,621	7,608,205
1826–1827 -	3,661	3,668,565	6,308	5,941,520	9,969	9,610,085
1827–1828 -	5,114	5,105,073	4,361	5,251,760	9,475	10,356,833

Canton,
10th November 1828.

731. IS that statement confined to opium which has passed the Company's sales in India, or does it include the opium which is smuggled from India to China?—I believe it includes the Malwah opium, which comes from the Portuguese port of Demaun.

732. Is there any Turkey opium imported into China?—There is.

733. To any considerable extent?—In some years I believe it has been to the extent of 500 or 600 peculs. The amount of a chest of opium is considered exactly one pecul.

734. Is the Turkey opium better or worse than the Indian opium?—Very inferior; it is used by the Chinese to mix with the other opium.

735. Does it go from the Mediterranean?—It is brought from the Levant; chiefly from Smyrna, I believe.

736. By what class of traders?—I have known it come from Sincapore; and I have known it brought by American ships.

737. Have you known it brought by European ships?—I do not remember any being brought by European ships.

738. Are you aware whether the Company's ships are allowed to take out any Turkey opium from England?—They are not; they are prohibited by a regulation of the Company.

739. Are the Bengal ships allowed to take out any opium?—I do not know.

740. Are you not aware that many officers in the India service have taken opium from Europe to China, and have been obliged to send it circuitously instead of taking it in the Company's ships?—I have been told that the Company's officers have speculated in opium on their own account by having it sent on from India to China.

741. Do you know upon what principle the Chinese government prohibit opium?—Upon a moral principle.

742. In the statement you have delivered in, there is an account of 2,920 tales value of woollen remaining of the season of 1826–27, whilst the imports from Europe in that year of woollens amount to 1,279,000 tales; can you state whether that is about the usual quantity of stock remaining in the Company's stores at Canton?—The Company have very rarely any goods remaining on hand. It has occurred once or twice, when the importation has been larger than the market would take off; but they generally get rid of all goods as they are imported.

743. Have they any portion of their cotton, or iron, or lead which they export

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remaining in store?—No. When I say no, I speak generally; goods occasionally remaining over to a trifling extent.

744. Generally speaking, then, the Company are able to dispose of their importations into China in the course of the season?—Certainly.

745. Are the Committee to understand that the amount on private account in this return of goods imported into China includes the country trade, the amount imported by officers of Company's ships, and all other British subjects?—I believe it does.

746. In the statement of the exports, it appears that the value of goods exported on account of the Company with their charges, amounted to 8,765,000 dollars, consisting entirely of teas; will you inform the Committee whether the Company trade in any other article, as an export, except teas?—Not now; their investment is confined entirely to teas. They used to deal in raw silk and nankeens, but they have not lately.

747. Are you aware why the trade in raw silk and nankeens was discontinued?—The Company left those trades very much to their commanders and officers.

748. Were there any other articles, since you have been at Canton, besides silk and nankeens, in which the Company dealt?—None to my recollection, except tea.

749. Are you aware to what place the silk and nankeens are now principally exported from Canton?—I believe the manufactured silks exported from Canton go principally to America; and the raw silk comes a great deal of it to this country, and very little of it to America.

750. Are you aware that of late years a large quantity of raw silk has been sent to Sincapore?—I know consignments have been made of raw silk to Sincapore; I cannot state to what extent.

751. Is any tea consigned to Sincapore?—No tea can leave China except under license of the East India Company, which I have stated is frequently given to country ships to export to ports in Asia, for consumption in those places.

752. Has any license been granted to Sincapore?—Sincapore must have been included among other places. The license is of course to a limited amount, according to what appears to be the consumption in those places.

753. Is there any means of ascertaining the extent to which such licenses have been granted by the Factory at Canton to those several places?—A list of licenses which have been granted has been kept.

754. It appears that the imports on account of the Company were 4,500,000, and that the exports were 7,800,000 dollars; how is the difference in value made up?—The Committee in China draw upon the Bengal treasury for the amount of the balance of the trade.

755. How does the operation take place, and how is the exchange made?—The Company regulate that exchange generally according to the value of Sycee silver, which is Chinese bullion, and of dollars in the Chinese market, in order to ascertain at what rate they can secure the money being paid into their treasury for bills. The standard of Sycee silver and of dollars differs considerably. The value of Sycee silver is $\frac{98}{100}$ parts of pure silver; the standard value of dollars is computed at $89\frac{1}{4}$; and notwithstanding that difference, the premium which the Chinese Sycee silver bears over the dollar is not generally above three per cent; so that generally speaking the Chinese give five per cent premium for coined over uncoined bullion, the preference being given to coined bullion from a knowledge of the accuracy of its standard. With reference to the rate at which the Sycee silver is in the Chinese market compared with dollars, the Company regulate their exchange upon Bengal. The treasury at Canton is generally opened under very favourable circumstances, inasmuch as of late years the Company have granted bills at 202, 203 and 204 Sicca rupees for 100 dollars; those bills are drawn upon the Bengal government, in most seasons, to the amount of about 3,000,000 of dollars.

756. What is it that makes the remittance so favourable to Bengal on the part of the Company?—The Canton treasury forms, to a certain extent, a remittance for the proceeds of the sales of Indian productions of opium and of cotton.

757. Are the Committee to understand that a larger portion of the investment of teas for England is provided by bills drawn by the Factory at Canton on the Bengal Presidency?—A portion of it is. I may say that the Company's home investment is entirely provided by the sale in China of English manufactures and productions of

of our Indian possessions. It is the proceeds of those possessions seeking a return to India that enables us to get money upon favourable terms.

758. But those proceeds are supplied by private trade, not by any trade which the Company has between India and China?—They result from private trade between India and China, as well as imports from India on the Company's account.

759. Will you state if you can at what intrinsic value the Spanish dollar received in Canton for bills on Bengal may be valued in English money?—It varies; dollars are more or less valuable in the market according to the quantity of them; I have known the exchange above 6*s.* and below 4*s.*

760. In the statement that you have delivered in, it is stated that the Factory received for bills on the Honourable Court of Directors 78,200 dollars; do you know what was the exchange in that year?—I do not remember at what rate that specific sum was drawn; I should think it must have been 4*s.* 3*d.* in that year; but of late years the treasury at Canton has not been open for bills on the Court of Directors.

761. There is an item described as certificates 447,143 dollars received into the treasury at Canton; will you state what certificates are?—Bills which are granted by the committee in Canton to commanders and officers in their service to afford them the means of remittance for the profits upon their investments; they differ so far from bills, that the rate at which they are drawn remains to be adjusted by the Court in England.

762. There appears in the exports from Canton Sycee silver and Peruvian silver 6,094,000 tales; is that exported by private merchants or by the Company?—The Company have occasionally sent dollars to Bengal; they do not export Sycee silver.

763. Under what privilege is that silver exported?—The Chinese laws prohibit the exportation of any metals; dollars are allowed to be exported from China, but not bullion, but it has always been exported to a large amount.

764. Is any certificate obtained from the custom-house to permit the exportation of bullion from Canton?—Of dollars, not of Sycee silver.

765. Then all Sy-cee silver exported must be contraband?—Its exportation is prohibited by law.

766. Has the Company ever exported any dollars or Sycee silver since you were at Canton?—Dollars they have.

767. To what places have they exported them?—To Bengal.

768. Are you able to state what quantity they have exported?—I remember one season to the amount of half a million sterling.

769. Was that export of silver a surplus of money after providing for their investment, or was it silver obtained for bills granted in Bengal?—It arose in that season from the imports having sold at a much better profit than was expected, and the treasury containing more money than was required for the provision of the home investment. It being contemplated by the select committee that the supply would be very seasonable to the Bengal government at the time the dollars were sent.

770. In what year was that?—It must have been in 1817, I think.

771. You stated on a former day, that the competition on the part of the English merchants, if the trade was opened, would raise the price of teas. Is not tea almost the only article which has been kept at a fixed or nearly fixed rate in China since you have been at Canton?—I have mentioned variations which have taken place in the price of tea during my recollection.

772. Are you aware that cassia, silk, camphor and generally the exports of China have been reduced in price, whilst tea has remained nearly stationary?—No; I do not know the fact that all exports of China have been reduced in price.

773. Did not the competition of the Americans raise the price of some peculiar sorts of tea?—With respect to the green teas, it has always had that tendency.

774. Are they much higher now than they were?—They are higher than they were, and we find greater difficulty in obtaining them.

775. Do you know the proportion in which they have risen?—I cannot state that from recollection.

776. Is it not in the power of the Americans, or any other country, if they give a higher price than the Company, to obtain tea?—I should think it was.

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777. Can you state whether green tea is used by the natives in China, or whether it is not principally an article of export?—I have been told that it was principally for the foreign market, but I believe it is also used in the country.

778. Have you any reason to doubt the capability of its increase to any amount to which the demand might arise?—I have already stated, that of late years there has been more demand for it than the supply would meet, from which I should be led to doubt the capability of its increase.

779. Has not that arisen from the great demand which America has had for green tea, they being the principal customers?—That has entered into the causes of it.

780. Are you aware what increase has taken place in the exports of green tea, including the supply to America as well as to the Company, during the 17 years you have been at Canton?—I cannot state it from recollection.

781. Are you not aware that it has been considerably increased?—I believe the export of all teas has considerably increased, and the export of green has increased in common with the others: the Company's exports of teas from China have within my recollection increased considerably.

782. Are you able to state whether the Americans purchase the greater part of their teas from the outside merchants or from the Hong merchants?—I believe the best part of the American business, that is, the most respectable part, is conducted with the Hong merchants.

783. Is it not notorious that the outside merchants supply a very large proportion of the American trade?—I do not know what proportion; I have stated that the outside dealers frequently make shipments through the hongs of the junior merchants to very considerable extent; I have no means of ascertaining what that extent is.

784. You were understood to state that by the firmness and conduct of the select committee, they have been able to resist impositions on the part of the Hong merchants?—Innovations on our privileges by the government, and attempts to raise the prices of teas by the merchants. We cannot afford any innovation on our privileges, for they are limited enough; but those attempts that have been made to raise the prices of teas by combinations among the merchants have been put down by the Company.

785. If the Company had no longer a Factory there, but the British interests were represented by a consul, what in your opinion would be the effect of an union of all the European consuls at Canton, in case of any attempt at imposition on the part of the Hong merchants?—I conceive that the interests of different European merchants resident in China would be so likely to be at variance, that it would be very difficult to reckon upon the possibility of such an union. But supposing such an improbable result to take place, I conceive the Company's authority would derive very little acquisition of power or influence from such an association.

786. You have stated that the influence of the Company depends upon their being the largest dealers at Canton?—I have stated that as one cause of the power and influence of the East India Company.

787. Are you not aware that the influence of any nation, or of any individual in a series of years in a commercial port, must depend upon the extent to which they carry on their trade; and if under the protection of a British consul, the British trade was increased by being thrown open, is it not probable that the influence of that consul and of that nation, would continue as great as that of the Company?—No; I do not believe that the Chinese government would consent to receive a King's consul; I mean, to acknowledge him as the representative of the Sovereign of this country, or to receive him in the character which we attach to him. Even on occasion of an embassy, the name given by the Chinese to an ambassador is that of a tribute bearer, a man who brings presents from an inferior Prince to lay them at the feet of their Celestial Emperor. I believe if the Company's chief were vested with the power of a consul to-morrow, that his condition in the estimation of the Chinese would not be altered. In cases where our men-of-war have been in China, or any King's officers, the Chinese have shown every indisposition to acknowledge them. I do not believe that the Chinese would be brought to acknowledge a King's representative under the impression which we have of such a representative.

788. Was not Lord Amherst the representative of the King, and not of the Company?—He was the King's ambassador.

789. Was

789. Was not he received as such?—I repeat, that the Chinese have no name for an ambassador; they consider him as a mere bearer of presents—tribute as they call it. A person personating his Sovereign, in the capacity of a negociator, is one that their laws do not consent to recognize. In an interview of an ambassador with Chinese authorities, they ask him how old his king is, and how old he himself is, or how many children he has. If important business is alluded to, they start as if a hidden snare was laid open, and are silent. They are ever ready to bring in aid of their views the most unfounded falsehoods; and with these the more venial equivocations of European policy are but little able to contend.

790. Was not Lord Macartney received, and had he not an audience of the Emperor, as the representative of the King of England?—He was received, but not in the character which we attach to a King's representative.

791. Does not that arise from their not conceiving that any foreign power is on an equality with the Emperor?—In some measure, from presumption of that kind. They consider China the centre of civilization, and their Emperor the sovereign of the universe.

792. Are you able to state whether they consider their government more on an equality with the King's representative than the Company's representative?—They know the King's representative to be a man of high rank. I stated, with reference to a King's consul at Canton, that I do not believe the Chinese would recognize such a person, attaching to him the same character that we do.

793. Do you conceive they ever would have received a deputation from the Company as they received a deputation from the King of England at Pekin?—No, I do not, although we have little to boast of the reception given to either of our embassies. In reply to this question I may state, that the members of the select committee were requested to proceed to Pekin, I think in the year 1789, to be present at the celebration of the Emperor's birth-day. They declined proceeding there, it being understood that they would be required to submit to very humiliating compliances. Had they gone, I believe they would have been treated very much as other deputed persons have been.

794. Then why should not the representative of the King of England, as a consul at Canton, if he has a superintendence and control of the same extent of trade, be equally respected with any representative of the Company?—I think the conduct of the trade gives the Company's representative an advantage, as well as that the Chinese have been accustomed to no other. There is at this moment a King's consul in China, having a diploma from the King of Hanover. I believe his existence, as a public functionary, is as little known among the Chinese as in this country. When a British admiral was in China the Chinese would not receive him. The Committee said, here is the King's authority, appeal to him; they said, we know no such authority; we recognize none other but that of the Company to which we have been accustomed, and all transactions with them must be through their representative.

795. The Committee understood from you that the Chinese government are very unwilling to trade with any country; that they are, in a great measure, independent of foreign trade?—I stated that I believed that China, more perhaps than any country in the world, was independent of foreign commerce, inasmuch as it possessed nearly every variety of climate, and had the necessaries and luxuries of life supplied by successful agriculture and extensive inland commerce. I did not say that the Chinese were averse to trade; I believe any aversion to foreigners to have its basis in political jealousy.

796. Will you have the goodness to state in what manner the Company were able, in 1814, when they stopped the trade with China, to succeed in carrying their point, and in resisting the demands made upon them at that time?—By perseverance, I believe.

797. That is to say, by stopping the trade?—By stopping the trade, in the first instance, and by firmness and decision until their objects were obtained.

798. Did they not stop the whole British trade?—Yes, they did.

799. Were they able to stop the trade of any other Europeans?—Any other Europeans were not involved in the question, and the Company never thought of attempting it.

800. What, in your estimation, was the inducement to that concession on the part of the Chinese?—I should say, a knowledge as well of the power and influence of the East India Company, as well as a great reluctance on the part of the Chinese generally that they should be deprived of the advantages of their trade. I am not

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aware that I stated that the Chinese were independent of foreign trade; I stated that they attached a very considerable value to it.

801. Are you able, from any documents you have ever seen, to ascertain the amount of the duties which the foreign trade of Canton produces to the government?—I have already stated that I had heard it estimated that the Imperial duties sent to Pekin were 2,000,000 of dollars. I have also heard it called 2,000,000 of tales.

802. Who were the parties at variance in that dispute between the Hong merchants and the officers of the Company?—The dissension was between the Chinese government and the representatives of the Company.

803. Was not the local government at Canton backed by the Imperial government at Pekin?—It was.

804. Then are the Committee to understand, that the stand made on the part of the Company, by the stoppage of the trade, was sufficient to induce the Imperial government to give up the resistance they had made to the demands of the Company?—The resistance made by the Company at that time produced the result which I have stated; but no demands were made by the Company from the Imperial government of Pekin.

805. Do not you imagine that the stoppage of the trade caused great inconvenience to the merchants, and that it was their influence which induced the government to yield?—I believe it produced great inconvenience to all classes connected with foreign trade, great personal inconvenience to the merchants themselves, and, of course, to all natives in any way connected with the trade.

806. You stated that there had been an edict issued by the Imperial government, which the Company's officers resisted; was there any edict of revocation?—I cannot state whether there was an edict of revocation, or whether it became a dead letter.

807. How long did the suspension of the trade continue?—About two months.

808. Was there any other reason assigned for withdrawing the order of prohibition than the inconvenience arising from the stoppage of the trade?—I dare say there were many reasons assigned for it; I only know what reasons I assigned myself.

809. Are you aware whether the Viceroy of Canton has any interest or participation in the profits arising from the commerce at Canton?—I should think he had.

810. If the prices of woollens and of the different articles of import into Canton were reduced, would not the trade of Canton be thereby considerably increased?—That is too general a question for me to answer.

811. In those years when woollens have been cheaper than ordinary, have you sold more of them or not?—The Company's supply of woollens has been regulated with reference to the supposed demand, taking one year with another.

812. Have you known the price of woollens considerably lowered by the import of Americans or other foreigners?—I have known the importation of Dutch cam[l] to interfere with the sale of British.

813. Have the prices in China been lowered in proportion to the lowering of prices in this country?—The sale prices of the Company's woollens in China h[a]ve very materially decreased within my recollection.

814. In fixing the price there, do you fix any per-centage of profit upon the English prices?—We are regulated by the demand of the Chinese market without much reference to the cost value.

815. Are you aware that the quantity of woollens imported by the Company decreased from the years 1809 and 1810, when they were 262,000 pieces, to 123,000 in 1827 and 1828?—I believe the statements laid by the Company before Parliament on this subject to be correct.

816. Have you any means of knowing whether the imports by the Americans and other nations in the same time have increased much more than this decrease?—I am not prepared to draw a comparison.

817. Is it within your knowledge that the Company have admitted individual merchants in London to fill up any vacant tonnage in their ships upon their application for the export of woollens to China?—I have been told that they have done so.

818. Can you state at what rate per ton?—I cannot.

819. Were the goods so exported confined to the Company's Factory at China, or

or were they at the full disposal of the merchants that sent them there?—My recollection is that they were not confined to the Factory.

820. Were they a free consignment to any house established at Canton?—I believe so.

821. What could they receive in return for those goods?—I do not know.

822. Are you certain that the Company have permitted persons to send out manufactures from England, leaving them the disposal of the consignment at China, and not confining them to the Company's Factory?—That is my impression; but I am not certain of the fact. I believe goods belonging to private merchants have also been sent out in the privilege tonnage of officers.

823. Are you aware whether the Company's servants have ever made any representation to the Hong merchants on the subject of the American dealings with them; that is, on the increase of dealings with the outside merchants?—There were some discussions which took place in the year before last, in which the Company were engaged, which had reference to the question.

824. What was the nature of that correspondence on the part of the Company with the Hong merchants?—The greater part of the proceedings on that occasion has been published; it was not a correspondence which was confined to the Hong merchants, but extended to the government. Though a member of the select committee, I was absent from China at the Indian presidencies, when the discussion took place, and I differed in opinion with the select committee as to the expediency of several of the measures adopted.

825. Have you seen the documents?—I have.

826. Can you state the nature of it?—The discussions with which the committee were connected originated in the bankruptcy of the Hong merchant Manhop. At the period of his bankruptcy it appeared that his insolvency was very much owing to his connexion with the outside dealers; and the Hong merchants generally, as a body, were very anxious that the extent of that dealing should be limited, inasmuch as they had sustained very serious losses from being held responsible for the bankruptcy of junior merchants. The Americans being connected with some of the outside dealers in question, were desirous to support them, and anxious that the Hong merchants should nowise interfere with them. The American merchants had, by the temptation of higher prices, succeeded in some previous seasons in diverting from the Company's investment a portion of the teas which were contracted for by the Hong merchants; and it was with the view to prevent the recurrence of that, that the committee gave every encouragement in their power to the Hong merchants, to prevent as much as possible the connexion of the outside dealers with the juniors of the Hong.

827. Are the Committee to understand that the Hong merchants of their own accord were willing to deal with the Americans, and had dealt with the Americans, but that the Company's servants interfered to prevent it?—No; I did not state that.

828. Did not the Company's servants interfere to prevent the Hong merchants dealing with the American?—No, not the Hong merchants.

829. You have stated that the select committee were vested by law with power to exercise a control over all British subjects at Canton. Do you apprehend that there would be any danger to the British interests at Canton if English free traders were permitted to export teas from hence to the Continent of Europe, supposing that the ships' crews and supercargoes were, whilst in China, subject to the control of the select committee, in the same way as all British subjects resorting to Canton now are?—I have stated generally, that I conceive any great extension of the private trade in Canton would have a tendency to endanger its security, inasmuch as there would be a greater resort of British subjects there, and they would be more likely to come into collision with the Chinese.

830. Do you apprehend there would be any danger to the British interests at Canton if English subjects were permitted to trade between the United Kingdom and China in every thing but tea, supposing the tea monopoly to continue as it now is, in the hands of the East India Company?—I think I have already answered this question. I conceive also there would be a considerable temptation to smuggle tea into this country.

831. Supposing that, in addition to the powers now vested in the select committee at Canton by law, they were accredited from the Crown, and acted solely as a consulate, without having any concern in trade either for themselves or others, but exercising a full control over all British ships and subjects resorting to Canton,

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would there be any danger, under such circumstances, in throwing the trade entirely open?—I do not think they could possess, under such circumstances, the power they do at present, inasmuch as the control of the commerce adds materially to their influence.

832. Do you think that the Americans, upon the whole, purchase their tea less cheaply or more cheaply than the Company?—The Company, I think, purchase their tea on more advantageous terms. I conceive that impression to exist upon the minds of the Americans themselves, inasmuch as I have frequently seen the word "Company" printed, which is not the habit with the Company's investments, upon tea chests consigned on board American vessels. I was informed that the name "Company" attached a quality to those teas among the Americans which would not belong to them if that mark was not upon the chest. This left an impression upon my mind, that even in America the belief was that the Company got better teas than any other purchasers.

833. Are you aware of a proclamation issued on July the 2d, 1828, permitting an intercourse between the Americans and the outside merchants in certain articles, although excluding them in others?—The outside merchants were always permitted to deal in certain articles, china-ware and all retail goods. They used to trade at the same time in manufactured silks; but that was by a connivance of the law. Within the last two years they have received permission to deal in manufactured silks as well as in other articles.

834. Do you recollect the issuing of the proclamation referred to?—I have read the proclamation.

835. Was that subsequent to the discussion that took place between the supercargoes and the Hong merchants?—It was subsequent to the discussions to which I have alluded.

836. Was it about that period?—It was in consequence of the discussions that had taken place.

837. Can you state whether teas may not be frequently procured at Manilla and many of the eastern islands as cheap as in China, and with the same facility?—I have never understood so to any amount.

838. It appears in the Report of the Committee which sat in the year 1813, that Mr. James Drummond, now Lord Strathallan, who was the chief of the Company's Factory, gave his opinion that they certainly could be procured as cheap, and frequently cheaper; do you concur in that opinion?—I believe it could not be procured at those places in any quantity and of good quality; as far as Manilla is concerned, the Spaniards have shown little disposition to encourage the resort of British subjects to that place.

839. If the English trade were to become a free trade, and no longer in the hands of the Company, would not that, in your opinion, break up the Hong and cause a different constitution of the Chinese trade?—I conceive it would lead to results upon which no person could speculate, from the very peculiar character of the Chinese. I should be sorry to say that the English power could not compel the Chinese to come to any terms they chose to dictate, but the result of that I think would be an interruption of the amicable relations that now subsist. Admitting that such an open trade could be quietly conducted, the Hong merchants might possess an almost unlimited power over it, were they to form a close combination against individual traders, and received, at the same time, the support of their government.

840. As those relations are merely relations of trade, are you not of opinion that the trade would find its own relations after a little time of confusion that might perhaps result from the change?—I conceive it is very difficult to apply general principles to the Chinese, or the conduct of their government.

841. Supposing the trade to continue a monoply trade for the consumption of teas in England, and that English ships and English merchants were permitted to carry on an indirect China trade, that is to say, a trade between China and other parts of the world; would that, in your opinion, endanger in any way the authority of the Company's Factory in China?—I have stated that I think every increase of the resort of British subjects to China would more or less affect the security of the trade.

842. Is not the resort of British subjects to China always necessarily confined to a very small spot?—It is.

843. Are you of opinion that even if the commercial intercourse was increased, that could affect the peace of the country out of the reach of that small district to which

which it is confined?—I do not think the Chinese would increase the limits in proportion to the increased resort of British subjects.

844. As the amount of trade would probably not be augmented, but the only difference would be that British subjects would carry on a portion of that trade which is now carried on by the Americans and others; could that either require a larger extent of ground upon which to carry it on, or could it in any way involve the Company's Factory in any increased risk or danger?—It would be in proportion to the increased extent of such a trade; the probable involvement in difficulties with the Chinese would be regulated by that.

845. Suppose 20 British ships should be substituted to carry on the trade which 20 American ships now do with the Continent of Europe, and that the Company should remain as they now are with the monopoly of the English market, would any danger arise from that substitution?—I believe that 20 American ships are not now employed in the trade.

846. Suppose that substitution to take place, whatever the number might be?—It depends very materially upon the number; I think the danger would be in proportion to the increase.

847. Supposing a like number of British ships to replace the Americans which have carried on the carrying trade of Europe, would there be any danger in that case?—I think there is a difference on this account, that the crews of English ships come more readily into collision with the Chinese than the crews of the American ships; there is a more prudent and wary character belonging to the American, when compared with the careless and reckless spirit of English sailors; in that case I think danger might result if those men were in ships which were not under any well-regulated discipline and control. The superiority of the ships of the Company in point of discipline and arrangement is generally manifest; in proof of their superior efficiency I may mention that since I have been acquainted with China, indeed for the last 24 years, there has not been one single instance of a homeward-bound China ship being either lost or captured; during this period between 400 and 500 of these fine merchantmen, the most perfect ever known in the commercial history of the world, must have navigated between China and Great Britain, a part of the distance of 14,000 or 15,000 miles, being through seas of difficult and dangerous navigation. This may, I think, be received as a proof of the efficiency of the China ships of the Company, as well as of the skill of the officers by whom they are commanded; many other advantages might be stated which they possess.

848. Has any inconvenience resulted from the increased number of country ships trading to China?—There has been no proportionately increased resort of Europeans to what would take place in the event of an open trade, inasmuch as the crews of the country ships are composed of Lascars; but I have known some violent acts take place in China from persons connected with country ships. I may mention one which occurrred three years ago amongst the ships at Lintin. The captains of some of those ships, which were American and country ships, saw a Chinese boat captured by one of the custom-house boats, which were there upon duty. They imagined that the Chinese boat contained one of their own people, and they immediately went to his rescue. Upon going alongside the Chinese war-vessel they were warned off; and upon insisting upon going on board, stones were thrown at them by the crew of the Chinese vessel. The Lascars in the boat were ordered to fire upon the Chinese boat, and upon that occasion one Chinese was killed, and ten wounded, one of whom afterwards died. The Chinese government considered that it was the act of pirates, and indeed it very much deserved that character. A stoppage of the trade might have taken place, but the Chinese were at that moment in no temper to enter into discussions. It was discovered afterwards that no person belonging to these ships had been seized by the Chinese war vessel. I conceive this was conduct which the Company's representatives in China, if appealed to by the Chinese, must have considered indefensible.

849. In what year was this?—In 1827.

850. Have you ever known any such act committed by British subjects in China?—This act was committed by British subjects. I have known affrays of sailors with the Chinese.

851. Can you recollect any instance of any boat's crew of an Indiaman trader acting in the way in which you have stated the crew of that vessel did?—No, I do not remember any instance that I can compare with it.

852. Are not there sometimes British sailors on board the country ships?—Very few.

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853. Were you at Canton at the time when Sir Murray Maxwell forced his way up the river?—I was.

854. Did not he fire into the fort?—He did, and the walls of the fort were in part blown down.

855. What was the result of that?—Sir Murray Maxwell, upon arriving in the Canton river, was molested by the Chinese war-vessels. He appealed to the viceroy of Canton. No attention was paid to his appeal, and he determined upon moving up the river. Upon his being fired at by the forts, he laid his ship to, and fired several broadsides into them, when he proceeded up the river and anchored in the harbour of Canton. A Chinese deputation came the next day from the viceroy to congratulate the committee upon the manner in which Captain Maxwell had conducted himself. We were hardly prepared for such a result, but upon asking an explanation, they stated that though he had been fired upon by the fort, he had not fired a single gun in return, and that in consequence he might be permitted to come up the river. In point of fact, it was more than the viceroy's situation, or perhaps life was worth, to admit the possibility of an English frigate forcing the port.

856. Did not they allow a vessel commanded by Captain Hall to come up immediately afterwards?—Captain Hall was in company with Captain Maxwell, and came up either at the same time, or soon afterwards.

857. Was not it the fact that the Lyra, in which Captain Hall was, was not stopped as the Alceste had been?—To the best of my recollection she was not molested, at least to no great extent.

858. Do not some of the Americans keep some fast-sailing vessels for the purpose of forcing a contraband trade on the coast of China?—Not that I was aware of. During the period of the American war the American vessels that came to China were very sharp built, partly acting as privateers, and partly to enable them to escape from our men-of-war. I should say that the Americans have lately altered the construction of their vessels, they now build squarer ships.

859. Are you aware of any fast vessels being kept there for the purpose of smuggling upon the coast?—I have never known that they were built for that purpose. I have known American schooners engaged in the trade, and these were fast vessels.

860. Are not the smugglers of China a very powerful body; do not they move in considerable fleets upon the shore?—Not in fleets; their boats are very well manned and armed.

861. Do not they set the government at defiance?—Entirely, I should say, where they have sea-room.

862. Do you suppose that the government is capable of keeping them under?—They possess no marine force capable, in my opinion, of suppressing them.

863. Is the force of the smugglers upon the increase, or upon the decrease?—The smuggling trade of China is materially upon the increase.

864. In what way do the Portuguese at Macao buy and sell with the Chinese?—The Portuguese trade at Macao is very limited. Following gradually the decline of the power and resources of the mother country, they have dwindled into insignificance. The Portuguese have frequently applied for the privileges of trade at Canton, which have always been refused them; they are obliged to have their teas brought from Canton, but they are not allowed to reside there; they are confined to Macao, which at one time was a very important settlement, but now exhibits only the ruins of former prosperity.

865. During the time when the commerce of Portugal to Macao was considerable did the Chinese go down to Macao to buy their articles and sell others, or how was the trade carried on?—It was variously carried on; at one time by a coalition between Chinese and Portuguese merchants, which lasted but a very short period, as the Chinese were found to be very much their superiors in industry, as well as in the arts of deception. They were afterwards compelled to purchase from the Hong merchants, and in trifling articles from the outside merchants.

866. Has any trade arisen with the Brazils?—Not to any extent, that I am aware of.

867. Is there any considerable coasting trade carried on by the Chinese themselves?—There is, I believe; I do not know to what extent.

868. Do you know whether any vessels sail from their ports to the islands of the Eastern Archipelago?—Yes, they do; few proceed from Canton, from the circumstance, I conclude, that the produce of the islands of the Archipelago is brought there in foreign ships. The principal trade of these junks is from the province of Fokien, the province where the black tea is grown.

869. Of

869. Of what size are the vessels?—I have heard the largest estimated at 600 tons. They are by no means sea-worthy.

870. Are you aware that they import tea into Sincapore?—I have seen statements of it, but I have no personal acquaintance with it.

871. Have you ever heard of the American vessels smuggling it directly from the tea provinces?—Never.

872. Are you aware that the Chinese vessels now go to Bengal?—No, I am not aware of that.

873. Do those vessels that leave China for the purposes of foreign trade require any license, or is the trade contraband?—The principle of the Chinese government has always been to prevent the emigration of its subjects, and to discourage their engaging in foreign commerce. No insurmountable impediments are placed in the way of the Chinese foreign trade, though it has been disclaimed by the government, as being an improper trade for its subjects to engage in.

874. Are the Chinese permitted to leave China by law?—They are not by law.

875. Is not a considerable portion of the population of Sincapore Chinese?—It is; nearly all the islands of the Eastern Archipelago are inhabited by Chinese, who form the most industrious portion of the population.

876. Have you ever been in the interior of the country?—I have not, to any great distance.

877. When the Chinese go to reside in foreign countries are they allowed to export their wives?—No. The Chinese who go to foreign countries seem never to go there with a view to fixed residence. They are remarkable for their nationality, and as soon as they collect a competence they return. They are prohibited from emigrating from China, and that prohibition of course extends to their wives, which is an additionable assignable reason for their not becoming fixed colonists.

878. Are not woollens worn by the natives at Canton during the winter months?—They are.

879. Are not the cold months at Canton February and March?—The cold season is from November to April.

880. Is not the climate at that period much colder at Canton than it is at Calcutta?—It is; the two climates are distinctly different, though nearly on the same parallel of latitude.

881. Is there much intercourse between the Chinese and Japan?—There is some intercourse between the Chinese and Japan, but to a limited extent; the Chinese are looked upon at Japan with the same distrust as other foreigners, perhaps more so, from the proximity of their empire to Japan.

882. What difficulties exist with respect to any trade with Cochin China and Siam?—The extreme jealousy of the governments, and the kings of these countries, putting themselves forward as the first merchants in their dominions, requiring the right of pre-emption of all commodities, and attaching their own prices to them. We have endeavoured to propitiate their favour by unsuccessful missions, which have tended to injure our trade rather than promote its interests. That description of wretched truckling to the despots of these ultra Gangetic nations, and persons in the capacity of British representatives, walking about without shoes among white elephants and monkeys, has only tended to degrade our national character without obtaining for us any commercial advantages.

883. Supposing the European trade were excluded from China, would it not resort to the islands in the Eastern Archipelago?—I think that great difficulties would arise in the way of its resort there, from the cumbrous and unwieldy nature of the Chinese vessels, and the insecurity which is supposed to attach to property embarked in them; from the difficulties which might be placed in the way by the Chinese government of the export of tea to any great quantity from China. They have prevented the export of tea in native vessels by sea to Canton.

884. Are the transactions of the smuggling trade carried on with as much fidelity and regularity on the part of the Chinese as the transactions of the regular trade?—With wonderful regularity considering the nature of the trade; certainly not with the same regularity as those of the legal trade.

885. Are you acquainted with the transactions in Sycee?—Yes, I am.

886. Are those carried on with regularity?—With extreme regularity.

887. Is not that a trade in which, if there was not regularity, there would be exposure to fraud?—It is from its nature very open to fraud; at the same time the employment of the persons that deal in Sycee depends entirely upon their preserving their character.

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888. And the result is, that those transactions are very regular?—Wonderfully so.

889. Supposing the same establishment that the Company now have at Canton were to be continued as deputies or representatives of the Crown, and to have the same control, or a greater control over every British subject resorting to China than they now have, could not, in that case, a free trade be carried on without any risk or danger?—Not with the same security that exists at present.

890. Supposing they had the same power, why should they not act on behalf of the King as they now act on behalf of the Company?—Their possessing the power of King's consul would give them a greater control over British subjects, but would effect little change in their character in the estimation of the Chinese.

891. Suppose they were vested with the power of imprisoning and sending away, and controlling in any way the crews of the vessels resorting to the port of Canton, can you see any difficulty there would be in carrying on a free trade?—I think the answers I have previously given go to show difficulties as likely to exist. The select committee possess the power of deportation, as it is called, already, by a clause in the charter of 1813.

892. Do you think that the great trade which the Company carry on there gives them an authority which would not be possessed by persons not carrying on trade?—Unquestionably it gives them both power and influence.

893. Would not a greater degree of trade carried on by Englishmen, under their authority, give them a greater influence?—I do not know that it would.

894. Is the danger you apprehend from the unlimited resort of British merchants?—It is, in some measure.

Jovis, 25° die Februarii, 1830.

William Brown, Esq. called in; and Examined.

William Brown, Esq.

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895. YOU are the head of an extensive commercial establishment at Liverpool trading with the United States of America, and carrying on business upon commission for other persons engaged in that business?—I am.

896. Are you very extensively engaged in it?—Tolerably so.

897. As extensively as any other house in Liverpool?—I presume we are.

898. Have you been employed either on your own account, or on account of other persons, citizens of the United States, to ship goods, being British manufactures, to China from this country?—We have.

899. To what extent?—Probably that question will be most correctly answered by a memorandum from my books. This is an exact account of the amount which we have from time to time shipped, the total amount is 744,257 *l.* 8 *s.* 6 *d.*; in November 1821, 66,751 *l.* 19 *s.* 4 *d.*; in March 1822, 64,256 *l.* 18 *s.* 3 *d.*; in March 1823, 50,834 *l.* 12 *s.* 8 *d.*; in August 1824, 53,277 *l.* 2 *s.* 5 *d.*; in February 1825, 52,422 *l.* 10 *s.* 7 *d.*; in September 1825, 76,016 *l.* 14 *s.* 2 *d.*; in July 1825, 54,217 *l.* 2 *s.* 1 *d.*; in December 47,505 *l.* 19 *s.* 3 *d*; in September 1826, 48,471 *l.* 7 *s.* 11 *d.*; in June 1827, 59,808 *l.* 2 *s.* 9 *d.*; in October, 65,966 *l.* 19 *s.* 4 *d.*; in May 1829, 55,909 *l.* 4 *s.* 3 *d.*; in August 48,818 *l.* 15 *s.* 6 *d.* The sums I have stated were the amount of invoices with charges after deducting drawbacks. Some of the ships took some specie, the amount of which cannot be ascertained with accuracy, but in the whole it cannot have exceeded 10,000 *l.*; the rest was British dry goods, and some other small matters.

900. Were those goods shipped for Canton, or were they shipped for any other place?—They were shipped for Canton, but we generally cleared out for Batavia.

901. Had you any particular reason for preferring to clear out for Java instead of clearing out direct for Canton?—So long as my friends considered the business worth following they were willing that it should be as little known as possible to others.

902. Was it from a dread of exciting competition that you conceive they wished to clear out for Batavia instead of Canton?—I presume it was.

903. What proportion do you conceive that the manufactured goods, which you shipped upon agency for China, bears to the whole export of manufactured goods in neutral bottoms from this country to Canton?—To that on American account, I should suppose might be one half, or one third; but I cannot speak with any degree of accuracy as to that point.

904. But you know that other houses have shipped goods on American account from this country to Canton?—I know they have.

905. Have

905. Have you any means of knowing whether those speculations have turned out profitable or otherwise to the parties?—Latterly they have been very unprofitable; the last three or four years.

906. Can you explain the circumstances that have led to their being so unprofitable?—I think there are various causes why they have been unprofitable: one probability is the circumstance of the East India Company having supplied Canada direct with teas, which prevented teas being smuggled into the Canadas from the United States; another cause probably is, that the markets of Europe have been more shut against the Americans by prohibitory duties, and in consequence of more direct trade between those countries and Canton in their own bottoms.

907. You mean the return-trade from China in tea?—Yes. Another cause, which I should think as probably still more bearing upon the American trade with India and China is, that the credit given for duties in the United States is long. The credit given on ships coming from China is six, twelve and eighteen months, except on teas; there is upon them a credit of twelve months on the duties after they are taken out of bond; and those facilities I conceive have furnished capital, which has produced over-trading, and made the trade eventually not so profitable.

908. What was the largest import of tea from Canton to the United States prior to this over-trading?—I am not able to answer that question.

909. But you know generally that there was an excess of supply of tea, as compared with the demand in America?—Yes, I am quite aware of that.

910. Do you recollect in what year this excess of supply which has made the trade so unprofitable first became manifest in America?—I think it began to be felt four years ago.

911. Do you mean to state to the Committee that the losses sustained in this trade were upon the returns from China, rather than from the exports from this country?—I confine myself altogether to the returns from China.

912. You stated that the continental duties upon tea imported from the United States were raised; at what period was that alteration?—I cannot state exactly the period; I merely know the fact of there having been obstacles in the way of trade that has caused some impedient to that free shipment they before enjoyed.

913. Do you apprehend that before the East India Company undertook to send teas direct from Canton to the British provinces in North America, that those provinces were principally supplied from the United States?—I have no doubt that they were supplied to a considerable extent from the United States; the precise extent I cannot state.

914. Do you believe that any supply now comes from the United States to the British provinces?—I think, if any thing, it is the reverse.

915. You think it is more probable that teas are introduced from Canada into the United States?—I think it is very probable they are, under existing circumstances.

916. What is the rate of duty upon tea in the United States?—It varies; depending upon the description of tea; but that I am not altogether able to answer. I am aware that it is a high duty, but I cannot state exactly what it is.

917. You stated that a credit is given for the duties for as long a period as eighteen months in some cases, and that this credit has been the means of giving facility to over-trading, by creating a capital in the hands of parties who were embarked in those speculations?—That is my opinion.

918. Of course the amount of the capital so created in their hands must depend upon the amount of duty?—Certainly.

919. From the statement you read, there appears to have been a considerable shipment of goods in the last year?—There has been.

920. Is the trade reviving on the part of the United States?—I cannot say that it is, but it has been so long bad, that the parties embarking in those speculations have a reasonable hope and expectation that it will revive for their imports to the United States by the time the vessels return.

921. What are the returns from China to the United States?—Principally teas and silks. I should say that the prices of teas are a little better in the United States, but nothing of any moment.

922. Of course you have opportunities of communicating with captains and owners of vessels which you freighted, and with supercargoes that have traded to China; did they ever state to you any difficulties that occurred with respect to the sale of their goods, or the purchase of the teas, or other commodities in China, by the interposition of the Chinese authorities in Canton?—I make it my business

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frequently to inquire of captains of those vessels the nature of the Chinese trade, and I never was aware that any difficulty whatever arose on the part of the constituted authorities there, but the reverse; I have understood that they were very much disposed to cultivate the trade, and to afford every reasonable facility.

923. Do you know whether the United States have any establishment at Canton to protect or to facilitate their trade?—At one time they had a consul there; but I am not certain whether they have at this moment or not.

924. Do you know whether the purchases made by the supercargoes of the ships in which you are interested were made through the Hong merchants, or partly from the Hong merchants and partly from other merchants, traders in tea?—The course of trade, I apprehend, on the arrival of a ship in China, is, in the first instance, to apply to the Hong, the supercargo or resident, who makes the contract with the Hong, makes the best bargain he can with him, and generally gives him the preference in purchasing some of his cargo from him; but in every instance I have ever known of, he has been at liberty to purchase from the other Hongs, or from the outside trade; but generally giving the preference to the Hong to which his ship is consigned, if his teas are as cheap as others.

925. Do those supercargoes go generally to the outside dealers?—In the first instance they must apply to one of the Hong merchants to secure the vessel; and it is matter of arrangement or contract with him what quantity of teas they shall take from him; he generally shows them his samples, and it is arranged to the satisfaction of the parties; but I believe a large proportion is bought from the other Hong merchants, or from the outside merchants.

926. Then there is no obligation to trade with the Hong merchant beyond the agreement made in the contract for securing the vessel?—None.

927. Do you know whether the price of teas purchased by the supercargoes varied considerably at different periods?—I have always understood China to be a fluctuating market.

928. Did the supercargoes ever complain that they could not procure teas of the best qualities for the American trade?—Never.

929. Does that answer apply to every description of teas, the black as well as the green?—It does.

930. In point of fact, is not green tea the great consumption of the United States?—It is; I should probably say, that inasmuch as the East India Company are the largest purchasers, particularly of black teas, I should think they might have some slight advantages in the purchase of that description of teas; but inasmuch as the Americans are large purchasers of green teas, I should think the East India Company will have no advantage there; but any advantage that may arise to one party or another I look upon as arising solely from their being either larger or more limited customers.

931. What is the size of the America ships in which this trade has been carried on so far as you have been concerned in it?—In ships from three hundred to nearly five hundred tons.

932. Have the ships a supercargo to make their purchases and dispose of their freight, or is that duty sometimes left to the captain?—Sometimes, when he is a very clever man; but in the ships in which I have been particularly interested there is a resident agent upon the spot in China.

933. Do you know what the freight is from Liverpool to China, and back to the United States?—The freights have fallen very much of late; they were at one time as high as 9*l.* or 10*l.* a ton for the measurement tonnage of forty cubic feet, but I apprehend they are not more than two thirds of that now, probably not so much; but I beg to be understood as not stating exactly what they are now; I know they are very considerably less.

934. You have stated, that as far as you have had means of information from parties engaged in this trade, there appears a very favourable disposition on the part of the Chinese to cultivate a commercial intercourse with the United States; have you any particular reason for stating that such a disposition exists?—Some years ago there was a serious fire at Canton, when our friends had a good many goods burnt, and the Chinese Government made good the loss to the citizens of the United States; I therefore infer that there was a good feeling towards cultivating commerce generally.

935. Can you state to what amount the loss sustained was made good by the Government of China?—I cannot; I believe it was very considerable; it applied to all other nations as well as the United States; the loss was made good to all.

936. Has

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936. Has the trade ever been interrupted?—It was partially, for a short time, an Italian sailor in an American ship having killed a woman; but I know very little of the transaction.

937. Do you know whether the Chinese government enforce the payment of debts to Europeans on the part of Chinese subjects?—So far as the Hong are concerned; I believe the Hong are responsible for each other, but I do not know how it is with the private trade, whether there is any obligation on the part of the government to pay debts contracted by the outside dealers or not.

938. Have you any reason to doubt that the merchants from the United States are treated at Canton with as much favour as any other nation?—I believe they are quite as much so.

939. Do you know upon what principle it is that the government indemnifies foreign traders from losses by such a casualty as fire?—I do not; I was rather surprised at the fact.

940. Can you state the amount of tea annually consumed in the United States?—I cannot with any accuracy; but I believe it to be about six millions of pounds.

941. Is there any export of tea now from the United States to any parts of Europe?—There is; but by no means so extensive as it was.

942. Can you state when the trade of carrying tea from Canton to Canada on the part of the Company commenced?—I do not know the period.

943. Are you aware that the duties paid upon tea imported into Canada are very much lower than the duties upon tea imported into the United States?—I am.

944. Do you know the proportion?—I do not know the proportion, but I am aware they are considerably lower.

945. Are you aware that there is a rule on the part of the Hong merchants, that if they deliver a chest of tea that shall, upon examination, be found to be damaged, they shall then return two for one?—I am aware of the fact.

946. That applies to all traders?—It does.

947. Do the outside merchants also return two for one in a similar case?—I cannot state that positively; I believe they do.

948. You have stated, that latterly the American return-trade with Canton has not been profitable; do you conceive that, supposing that trade was confined within proper limits, there is a probability that it would still be a profitable trade to America?—I think there is every reason to suppose that it would.

949. Are you aware whether the Americans have sustained losses upon other branches of their trade, from the circumstance of that trade having been carried rather too far in the same period?—They have.

950. In the supply of cotton, for instance?—They have on many occasions.

951. Do you ascribe the losses in other trades to the same cause in part to which you ascribe the losses in this trade of tea, namely, the long credit given upon the duties, and the facility thereby afforded to speculation?—Probably that would be so; there is a very great spirit of enterprise in the United States, and it is pushed frequently too far.

952. Have you heard that in the port of Canton there is considerable facility afforded to captains of ships in completing their cargoes?—Very great.

953. As great as in other ports with which you are acquainted?—I should think more than in most other ports.

954. You have stated that the loss which you say has followed this trade lately is confined to the home-cargo; has the outward trade been a good trade?—I have understood that it has been a fair remunerating trade.

955. Has it been so throughout the period that it has been carried on?—So far as I know, it has.

956. Do not the American ships also go with teas directly to the Continent from Canton?—They do.

957. Can you state whether that has also been a losing trade?—I have had no particular knowledge of that trade, further than knowing that they do go from Canton to the Continent.

958. Must not any trade, in so bulky an article as tea, which is first carried to America, and from America to Europe, be charged with too much expense to make it a profitable trade in the long run?—It certainly must operate very much against it, where there is an opportunity of carrying tea on a direct voyage.

959. Have you any means of saying whether the direct trade of the Americans from Canton to Europe has been profitable or not?—I think not, lately.

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960. Is the business of the adventurers performed by supercargoes sent out with each ship, or is it performed by resident merchants there?—If the question refers to the direct trade from America to Canton, I think it is generally carried on by supercargoes, but if it refers to the trade that has been carried on from England to Canton, so far as I have been interested there has been a resident upon the spot to whom the vessels have been consigned.

961. When a supercargo is sent, or a resident is employed, what is the charge of agency for that trade?—I have understood, and I believe it to be pretty nearly what is allowed to supercargoes, three per cent, or two and a half per cent; it is matter of contract altogether; but I should say it would average about three per cent.

962. Is the charge about the same, whether it is done by a supercargo sent out with each ship, or by resident merchants on the spot?—I do not know what the charge of a resident merchant generally is, except that I know with respect to the gentleman that represents my friends there, there is a guarantee that he shall have a certain sum; that their commission shall produce to him within the year a certain amount; it is a matter of bargain; they sometimes take out two supercargoes, a principal, and an assistant supercargo.

963. Is not it the fact, that the Boston ships have generally no supercargoes, but go to resident merchants; but that the New York, Baltimore, and Philadelphia ships, are generally sent with floating supercargoes?—My connections lying principally in New York, Baltimore and Philadelphia, I speak more of them than I do of Boston.

964. Can you say whether the adventurers from those three places, New York, Baltimore and Philadelphia, generally, go to resident merchants, or have they supercargoes with each ship?—During my residence in Baltimore they had almost always supercargoes; latterly they have gone more to resident merchants.

965. Do you consider that a resident merchant, or a resident factor on the spot, must have greater advantages in dealing in a country, over a person who comes there as a stranger to carry on a single isolated transaction?—I am quite aware that the Chinese are a very suspicious, cautious people, and that to do business to advantage with them it is necessary for them to have some previous transactions with you, that they may have confidence in you; if you once establish confidence, the business is probably conducted on better terms than it would be with a passing stranger.

966. Has not a resident on the spot, beyond the advantage which he has of being acquainted with persons and with the country, the additional advantage of being able to select his own time for purchase and sale; whereas a man who goes out with a ship is obliged to perform his business at once, without waiting, and then to come back?—No doubt he has.

967. Is not it the case in that trade, as in trades generally, that when supercargoes are sent out they make the best bargain they can with some merchant at the port, giving him as little commission as they can agree for, and pocketing the remainder?—No, I think not in China; I think that they make a contract with the Hong merchants, to whom they consign themselves, in the best terms they can; but I apprehend there is no division of the supercargoes commission with the Hong: it is well understood what he will have to pay to the Hong before he leaves the United States, and that is apart from his own commission altogether.

968. You have stated what is the custom of the Chinese in case any damaged tea is found in the cargo they ship; do you think the American trade is more subject to tricks and deceptions of that description than the English trade?—I am not able to answer that.

969. Can you state whether there is generally any material difference between the quality of the tea imported into America and the tea imported by the East India Company into this country?—I can only speak from general rumour. The feeling on the part of the Americans is, that the tea imported into the United States is better than that we drink in England; but they do not drink so much black tea in America as they do in England.

970. Has that opinion been stated as a positive opinion?—I have frequently heard the Americans say that they thought their tea better than ours.

971. Have you been in America yourself?—Yes, I resided there many years.

972. What should you say from your own experience?—I am not a sufficient judge to answer from my own experience; it was many years ago, and I have very little recollection of the kind of tea I used to drink at that time.

973. Do

973. Do you know the rate of insurance from Canton to America?—It has varied; it has been as high as six, I believe now about four and a half to five per cent.

974. Where are those insurances effected?—In the United States.

975. Did you mean to say that the green tea in America is better than the green tea in this country, and that the black tea in America is better than the black tea in this country?—It is a very difficult question to answer satisfactorily. I have merely heard persons who have been in the United States say generally, that the tea was better than our English tea; particulars were not gone into; it was not said whether it was black tea or green tea.

976. Do you consider the woollens that you send out from this country of an inferior quality to what the East India Company ship?—I have no reason to believe that they are of an inferior quality; but I am not a judge of the article myself.

977. Where are they manufactured?—The woollens are manufactured at Leeds, and the stuffs at Norwich.

978. When you buy them from the manufacturers there, do you make that bargain upon the understanding that they are of an inferior quality to what the Company ship, or do you consider yourself as paying a price for a fair quality?—The agent who has always made those purchases in this country is a partner in the house, and I have always understood from him that they were quite as good as the Company's, and bought upon equally favourable, or more favourable terms.

979. Are the goods ordered to be made by the agent, or are they bought by the agent ready made?—I believe both ways; they are sometimes bought ready made, and occasionally ordered to be made; but the detail of the transactions by the agent I am not so conversant with.

980. Have you ever understood from the agent who bought those goods that he made a point of obtaining cheap and inferior goods, rather than goods of the best quality?—I have always understood that he obtained goods of the very best quality, and that he was extremely particular about them, for the Chinese have a peculiar taste, and he endeavoured as far as possible to meet that taste.

981. You have stated that you have understood that the trade in dry goods to China, independent of the homeward cargo, has been profitable; have you had occasion to see any accounts of sales from which you have formed that opinion?—Our friend here transacting that business has made such representations to me, and I have every reason to give credit to them, that the outward cargoes were reasonably profitable.

982. Then you have not seen any account-sales?—I cannot say that I have; I have only seen them in his hands in passing.

983. Do you believe an American supercargo would decline introducing into consumption among the Chinese prohibited goods, or goods bearing high duties, whenever profitable to them?—I should think some of them would, others would not.

984. Do you think Englishmen and private traders would decline doing that under those circumstances?—I think some of them would, and others would not.

985. You have stated that there is a commission charged upon goods at Canton either by the supercargo or by merchants there; is it upon the invoice amount of the goods shipped, or upon the amount of the sale there?—When specie is shipped from the United States the commission is charged on the amount of the investment; when goods are shipped, and the cargo bought, there is a double commission upon the gross amount of sales, and upon the gross amount of purchases.

986. Taking the gross amount of the accounts of sale of the goods sold there, and the amount of goods purchased for shipment?—Yes.

987. Have you known any transaction with a resident agent at Canton, where there has been no agreement to guarantee a certain commission?—No.

988. Then you do not know what they charge where there is no agreement?—No, I have never seen any account of sales or purchases, and I do not know what the charge is.

989. What rate of commission do you, or any other agent receive on goods shipped for China on behalf of the Americans?—Upon the transactions that have come through my own hands I have the usual commission for shipping the goods, which is half-a-crown per package, and a commission, as banker, of one per cent for paying for those goods; the partner of the house bought the goods that were shipped through us, and of course I had nothing to do with that, but to receive

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and pay for them; an agent in Manchester would buy them for one per cent: I apprehend that two and a half per cent would fully cover all commission charges.

990. You have given an account of goods shipped since 1821; was there any exportation of British manufactures from Liverpool previous to that year in American bottoms?—I think not to any extent; it must have been very limited if there was.

991. Have you known any exportation of British manufactures in any other neutral bottoms except America?—No, I have not.

992. Have you ever known any metals shipped from Liverpool for China?—Yes; there has been a little tin shipped, and some other things, not the produce of England, quicksilver and ginseng.

993. With reference to the transit trade from China by America to Europe, are you aware whether many of the ships which go to America merely land part of their cargo, and carry the rest on to Europe without moving it?—I believe it sometimes happens, but I should think not generally.

994. What is the nature of the goods generally exported from America to Canton?—Scarcely any thing but specie from the United States; I have known a little cotton go when it was very cheap.

995. Have you ever known any earthenware sent from Liverpool to the East, to Sincapore or China?—There has been a little sent out for the use of the Factory; but nothing that I know of in the way of merchandise.

996. Do you know whether the woollens imported to this country by Americans are ever smuggled into Canton?—I believe not, as far as I know.

997. Has any glass been exported?—A little in the same way for the use of the Factory, but not for trade.

998. Are you aware whether there has been any considerable change in the quality and sorts of articles sent out for the Chinese market from this country?—I think not much; they have been very stationary.

999. In your experience of the American trade, is it not frequently the practice for merchants to send out their ships to some ports in the East, with orders in the event of their being disappointed in one adventure, ultimately to go to China?—I should think it did not often happen; it may have happened; I have no doubt it has happened.

1000. Do not you consider it a considerable advantage to free traders to have that power of a choice of markets in the event of their being disappointed in one?—Certainly.

1001. Do not you consider that the merchants of any nation having that free option have a great advantage over others who are excluded from certain ports?—Certainly.

1002. Can you state whether, in the course of your communication with any Americans who have dealt at Canton, they have expressed any opinion that their trade there is subject either to any particular advantage or disadvantage from the circumstance of there being a great English Factory there dealing with the Hong merchants?—I never understood from them that they had any advantage or disadvantage; I always understood that they were on a perfect footing of reciprocity with all other nations that traded there.

1003. But you did not consider those traders trading there as deriving any particular protection or advantage from the existence of the Company's Factory?—None whatever.

1004. Have the supercargoes of the American ships any communication with the Company's Factory?—With the Hong merchants they have; the Hong are security for their good conduct, and for the proper management of their affairs.

1005. Do you know how the losses were made good to the Americans at the period of the fire at Canton?—I do not; I merely know the fact that they were made good.

1006. Then you are not aware that such losses were made good by a tax upon foreign trade?—I was not aware of that; it may have been so.

1007. Do you know whether there have been any experiments made lately in sending out new articles of manufacture which were supposed likely to suit the taste of the Chinese?—Yes; I have understood that there have been lately some attempts made to introduce cotton yarns to that country with some prospect of success.

1008. Are they the only articles?—They are the only articles I have had my attention particularly called to.

1009. Can

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1009. Can you state what was the result of this?—I do not know.

1010. You stated that the woollens sent out by individuals were as good or better than those sent out by the Company; have you the means of knowing the quality of the goods sent out by the Company?—The gentleman who bought them in this country, I believe, has had an opportunity of seeing those purchased, and in preparation for the Company, and he stated to me that he conceived them as good, or in some cases better; but I only know that from the information of the gentleman who bought them.

1011. Do linens ever form any part in the investment at Canton?—Yes; in the first instance there were some shipments of linens, but not latterly.

1012. Did you find that it did not answer?—I believe not so well.

1013. Were they coarse or fine linens?—That I cannot state.

1014. Do you conceive, in reference to your own personal situation, that the opening of the China trade with this country, by doing away the Company's monopoly, would be to your interest or otherwise?—I think it would be against my interest.

1015. How would it affect your interest?—My interest would be affected inasmuch as those gentlemen I represent in this country might not find it worth their while to come in competition with the English free trade.

1016. Your apprehension would be that the British free trade would throw the Americans out of the trade between China and this country?—I have no doubt it would in the first instance; for to every market we go we send such quantities of goods.

1017. It is in that way your interest would suffer?—Yes.

1018. To what extent have you known damages or deficiencies in the cargoes from Canton to have been made good to American agents?—Not very extensively; probably half a dozen instances I have heard of; probably not so many.

1019. Do you know of any one instance?—Yes, Mr. Milne has told me he has had to send back, and got two for one.

1020. Do you recollect in what ship?—No.

1021. Do you know to what extent?—Not to a great extent; a chest or two; but I have heard of it in more cases than one.

Mr. *Richard Milne*, called in; and Examined.

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1022. DID you reside in Philadelphia for any number of years, and have you carried on trade with China?—I have resided there a considerable period; my leading business vending English goods; but I have very often made adventures to India and China, in vessels on freight.

1023. For how many years were you engaged in the trade with India and China?—I commenced in the year 1799, and continued, I think, till 1811, and occasionally since; the last time 1820.

1024. Have you consigned more than one ship direct to China in the course of those periods?—At the period alluded to the vessels went chiefly on freight; I was a shipper, and have shipped in different vessels in the same year, at moderate amounts, being my own underwriter, running the risk myself.

1025. What were the articles you shipped to China in particular?—Almost always Spanish dollars.

1026. From Philadelphia?—Yes.

1027. What were the returns?—Teas, nankeens and silks, were the leading articles from China; occasionally other articles to fill up the tonnage.

1028. How long is it since you left the United States?—In the year 1828: I am a native of Manchester.

1029. Are you acquainted with the trade between the United States and China since you ceased to take a part in it yourself, namely, in 1820?—After I left off making adventures on my own account, I loaned money to others on what is termed respondentia; that gave me the means of general information.

1030. During the time you were engaged in this trade with China, or since that period, are you aware of any obstacles having been thrown in the way of trade by the Chinese authorities?—I never heard of any obstacle.

1031. When you carried on the trade to China, had you supercargoes in the ships, or a resident merchant to transact the business at Canton?—From Philadelphia, at the period alluded to, supercargoes almost always accompanied the ships.

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1032. Had they a regular salary, or a commission?—They had a commission.

1033. What rate of commission?—Three per cent upon the amount of purchases at Canton.

1034. Did that include the security to the Hong?—The security to the Hong, I believe was estimated on the rate of freight which we paid; taking that consideration as one of the charges attaching to the ship, they asked a corresponding freight.

1035. You have stated that when you carried on this trade the ships were always accompanied by a supercargo?—I think without exception.

1036. This supercargo generally was an entire stranger to Canton, and to all persons there probably?—Sometimes those supercargoes were men of business, and very intelligent; at other times young persons brought forward through interest for the sake of the commissions. I have often shipped with those less experienced persons, the vessel being what was termed a good risk.

1037. When the persons were so inexperienced did you ever get into any difficulty with the Chinese authorities, or the Hong merchants at Canton?—I never heard of any.

1038. No difficulties occurred in consequence?—No difficulties whatever occurred to the vessels in which I was interested.

1039. When it was an inexperienced supercargo the advantage of the merchant was not perhaps so much consulted as when it was a man of more experience and judgment?—We of course preferred gentlemen of experience; but if it was a very good vessel, and no other presented itself, we availed ourselves of it.

1040. Did those adventures in which you were engaged receive any assistance, or meet with any obstacles from the establishment of the British East India Company?—My opinion is, that they had little communication with each other. I have often heard them say so.

1041. You are not aware that they derived any advantage or benefit from the Company's servants?—I do not apprehend that they derived any advantage whatever from the Company's servants; but I have often heard them speak in terms of the highest respect of the Company's servants.

1042. You have no reason to believe they were ever thwarted or impeded in any of their engagements by the Company's servants?—I do not believe they were.

1043. As you have been a considerable importer of teas into the United States, will you state to the Committee what are the general description of teas used in the United States?—Till of late years, green teas, in the part of the country where I resided, were almost the only teas brought there. Of late, black tea has increased, being recommended by the faculty.

1044. Can you state what the proportion of green and black is at present?—I think the quantity of black tea is small; it is increasing.

1045. What is the consumption of tea in the United States altogether?—I forget. There is an annual report from the Treasury; but there must be from the United States more than twenty ships annually, perhaps thirty; the number varies according to the demand and the state of the trade.

1046. Have there been great profits in that trade, or has it been liable to heavy losses?—At the period alluded to my business was vending English goods; not having a great deal in the world, I was desirous of increasing it, and I shipped to China as an auxiliary; not owning the vessel, of course I laboured under some disadvantages from 1800 to 1811; I never experienced any loss in those years; I think, speaking within bounds, that the profits might be from fifteen to twenty per cent per annum; perhaps occasionally more, but I think I may safely say from fifteen to twenty.

1047. Was a part of the tea imported into the United States re-exported?—Yes.

1048. To what ports?—Hamburg, Bremen, the Continent, some little to France, but principally to Hamburg and Bremen.

1049. Did any part of it find its way into the British provinces in North America?—I have heard much of that. I believe the trade existed formerly, but not now; to what extent I cannot say.

1050. Can you state what was the proportion of teas exported to other countries, including what might find its way to Canada, to the whole quantity imported into the United States?—That would depend entirely on the home demand; the quantity exported comparatively small; when fresh teas arrived, and the old ones lay on hand they

they were neglected, consequently persons were induced to export them to save the drawback or the duty paid on import.

1051. Are the Committee to understand from that answer that the new teas are greatly preferred to those that have been a certain time on hand?—Decidedly so; it is difficult to sell the old teas after the new ones come, save when the quality of the old ones has originally been very superior.

1052. What do you call old teas in the United States, tea which has been a twelvemonth?—Yes; the Government only allow drawbacks within one year from the date of import; the goods having been in the country more than one year from the date of import forfeit the benefit of drawback.

1053. Are they then exported, in preference to the new teas, both as inferior in quality and as coming nearer to the period at which the duty would be to be paid?—Having on hand, and in the warehouse, both old and new teas, I certainly should export the old ones, keeping the new ones a longer period, for the benefit of home sale.

1054. Has the quantity imported of late years been so much greater than the consumption as to make this a bad trade?—It certainly has, I believe, been over-done.

1055. Have there been great losses sustained in consequence by the parties who have been engaged in this trade?—I believe there have been very large losses.

1056. To what do you attribute this over trading?—In part to the love of gain of persons who have got embarked in the thing, conceiving that if they got a larger quantity of goods probably they might recover themselves; the consumption of the country, I should think, has rather increased the facility given by Government in the duties, which is, one year from the arrival of the vessel the goods are entered, put in bond, and from the date they are taken out, there is a credit given of one year, on the bond of two merchants.

1057. You state that the parties who have sustained losses might carry on this trade to excess from the facility in the mode of giving credit on the duty due from those parties, they sustaining their affairs by carrying it on with a capital belonging, in fact, to the Government?—That has been the case; I believe the Government is sensible of its having suffered.

1058. Do you attribute the over trading, in part, to the deranged situation of some of the traders having a facility of meeting their engagements by the twelve months credit they have obtained on the duties?—I think I may safely say that would be my conclusion.

1059. Can you state to the Committee what has been the average rate of duty on the different teas that have been imported into America at present upon the sale value?—It is very high.

1060. Is it equal to the same value, is it 100 per cent?—I should think, perhaps, 75 to 100 per cent upon the cost price in China; I have a number of prices current which show the precise duty on the tea.

1061. You consider the duty on all sorts, taking it as an average, to be about 75 to 100 per cent on the cost prices in China?—I think it is that; in some instances it will be more than that; I can explain the duties paid on each kind of tea: Bohea tea pays 12 cents per pound duty; Congo, 25; Souchong, 25; Hyson-skin, 28; young Hyson, 40; Hyson, 40; Gunpowder, 50; Imperial, 50 cents per pound.

1062. Have you got the prices at which those several sorts of tea sell?—I have made out a memorandum of the prices which teas have sold for at New York from the year 1820 to 1829, less the duty.

[*The same was delivered in, and read as follows:*]

PRICES of TEA at New York, in each Year from 1820 to 1829, reduced to Sterling, at the Exchange of 8 per cent Premium.

——	1820.	1821.	1822.	1823.	1824.	1825.	1826.	1827.	1828.	1829.
Imperial - per lb.	3/1 ½ a' 3/4	2/7 a' 3/4	2/11 a' 3/4	3/1 ½ a' 3/4	3/1 ½ a' 3/6 ½	3/4 a' 4/2	2/11 a' 3/6 ½	2/8 ½ a' 3/11 ½	2/6 a' 3/6 ½	2/5 ½ a' 3/9
Gunpowder - —	3/4 a' 3/6 ½	2/3 ½ a' 3/7 ½	3/1 ½ a' 3/9	3/1 ½ a' 3/9	3/1 ½ a' 3/6 ½	3/4 ½ a' 4/2	2/11 a' 3/6 ½	2/8 ½ a' 3/11 ½	2/6 a' 3/6 ½	2/5 ½ a' 3/9
Hyson - - —	2/1 a' 2/9	2/– ½ a' 2/8 ½	23 ½ d. a' 2/11	2/1 a' 2/9	2/5 ½ a' 3/1	2/8 a' 3/4	2/1 a' 2/11	2/3 ½ a' 3/6 ½	2/1 a' 3/6 ½	1/10 ½ a' 3/1 ½
Young Hyson - —	17 ½ d. a' 2/3 ½	19 d. a' 23 d.	20 d. a' 23 ½ d.	2/3 ½ a' 2/9	2/3 a' 3/–	2/1 ½ a' 3/1 ½	1/8 a' 2/10	17 ½ d. a' 3/6 ½	15 d. a' 3/6 ½	17 ½ d. a' 3/–
Hyson-skin - —	13 ½ d. a' 16 d.	12 ½ d. a' 16 d.	12 d. a' 16 d.	16 d. a' 21 d.	23 ½ d. a' 2/4 ½	18 ½ d. a' 2/7	11 d. a' 2/2	11 d. a' 2/2	8 d. a' 23 ½ d.	8 ½ d. a' 23 ½ d.
Souchong - —	13 ½ d. a' 14 ½ d.	12 ½ d. a' 13 ½ d.	13 ½ d. a' 15 ½ d.	14 ½ d. a' 17 ½ d.	12 ½ d. a' 2/1	12 ½ d. a' 2/1	10 d. a' 2/1	13 d. a' 2/7 ½	11 d. a' 2/7 ½	12 ½ d. a' 2/1
Congo - - —	7 ½ d.	7 ½ d.	7 ½ d.	7 ½ d.	8 ½ d.	8 ½ d. a' 12 ½ d.	none.			
Bohea - - —	11 d. a' 11 ½ d.	11 d. a' 11 ½ d.	10 ½ d. a' 11 d.	6 ½ d. a' 8 d.	10 d. a' 10 ½ d.	8 ½ d. a' 9 d.	7 ½ d. a' 8 ½ d.	8 d. a' 9 d.	8 d. a' 9 d.	9 d. a' 10 d.

1063. When you say less the duty, you mean the duty off, or what is commonly called short price?—Yes.

1064. From what have you compiled that?—From the prices current published at New York. I believe also they were extreme prices in going into the New York market; I could buy teas cheaper than those for money; I have no hesitation in saying that I believe it is tolerably correct; but wherever there were fractions, I added them to the price, so as to enable me to speak with confidence when I came here.

1065. Do those prices current from which you have compiled this table state the highest prices?—I believe they do fully so, with a view to supporting the market.

1066. Are those the cash prices, or is there a discount?—They are the prices at a credit of from four to six months.

1067. How much lower would they be for cash?—I think I may say four or five per cent lower.

1068. Does the account you have delivered in show the specific duty?—It does not; these papers do, and I have just stated the duty to the Committee.

1069. You are understood to state, as the result of your investigation, that as near as may be, you think the average specific duty on the China cost is 75 to 100?—Yes, there are instances in the case of Hyson-skin tea in which it is more; it is full that in the instance of Hyson-skin; it is a good deal above a hundred.

1070. Is it 75 per cent in the cost price at Canton, or on the sale price at New York?—It exceeds 75 per cent in the cost price in China.

1071. What do you suppose it may be on the sale price at New York?—If Hyson-skin tea sells for 63 cents, and the duty is 28, that is about 45, I think, without calculating it; it is a specific duty per pound; the papers are here, and the calculation is simple; I prefer stating the simple duty per pound.

1072. Is the present rate of duties the same as it was in the year 1820, or has the tariff increased those duties?—I think, according to my recollection, that duty was not increased by the last tariff, but I am not certain.

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1073. The mode of transacting this business in America is something of this sort, that the importer obtains from the government a credit of twelve months for the duty when he takes his tea out of bond and sells it?—Exactly so.

1074. He sells it, you say, on a credit of six months generally?—Yes.

1075. That credit of six months is a bill of exchange probably?—A promissory note.

1076. That is immediately convertible into cash on a discount by the banks in America?—The banks discount paper at four months; seldom so long as six, unless they have an over-abundance of money.

1077. The importing merchant selling his teas with the duty, at what is called the long price, has a capital equal to the duty to carry on a future operation, and to speculate again on a fresh import?—The prevailing opinion in America is, that this duty puts him in full possession to purchase another full cargo. When I speak of the duty being 75 to 100 per cent on the cost in China, I conceive I am speaking within bounds; it is generally conceived that the long credit given by the government enables the importer to send his vessel again direct to China, and import another cargo.

1078. Do you attribute any part of the over-trading to the facilities of those credits, and to the protection it gave to a person in bad circumstances as not compelling him to meet his engagements?—It is the prevailing opinion that the advantages derived from the credit contributed generally to the over-trading.

1079. Does the same system prevail in any other branch of American trade; the import of manufactured goods from this country for instance?—We have eighteen and twelve months on European manufactures; English are the bulk.

1080. The duty being very high on English manufactures, does it not create a credit, advanced by the government, which gives great facilities to over-trading?—That is the prevailing opinion, and remonstrances have been repeatedly made to government to lessen the credit, with a view of putting it out of the power of enterprising or speculative persons to deal on the scale which they do.

1081. Does it not give great facilities to parties whose circumstances are deranged, to carry on trade for a long time after they ought to settle with their creditors; and is not the result, that the government secure the whole of their assets when they are driven to the necessity of closing their concerns?—Government have suffered of late.

1082. But their individual creditors suffer to a greater degree, do they not?—The individual creditors have suffered to a great extent, of late years; the greater part of the English goods vended in America have been done by commission houses, who made advances to manufacturers in this country, by coming under acceptance for 60 or 70 per cent; it applies to other things.

1083. Have there been losses of a like nature with those in the China trade sustained in any other branches of the trade of America from this facility of credit?—I think not to the same extent; nothing so great.

1084. Is there any circumstance in the trade in tea which has made the loss heavier on that branch than on other articles of trade?—The facility of the credit in the duty.

1085. Is the credit greater on tea than on other articles?—The credits on China goods are 6, 12 and 18 months; the average is longer on China goods than on European.

1086. Are there any other causes that have interferred with the tea trade of the United States?—I do not know of any materially.

1087. Have not duties been laid in Europe on the import of teas through America?—I believe there has been something of that kind of late; but I cannot speak to it.

1088. The trade to Canada, you are aware, is no longer carried on?—I believe not.

1089. Has the result been a diminished import into the United States?—I believe since 1827-28 the import has fallen off.

1090. Do you consider the trade now in a thriving or a depressed state?—In a depressed state.

1091. Is it as much so as it was in 1827-28?—I understand it is depressed.

1092. As you have imported a considerable quantity of tea, and have been a dealer for many years, what is your opinion of the relative qualities of tea imported into the United States and that imported into this country?—I believe the tea imported into the United States to be good.

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1093. Is it as good as the tea consumed in this country?—I should think it is equal in quality; the green teas particularly.

1094. Do you speak from your own knowledge?—I speak from my own knowledge, and having heard English ladies say it was quite as good tea as any that they had ever drank in England.

1095. You think, from your experience, that tea is deteriorated by keeping?—I think it is.

1096. Have the prices at Canton been uniform and steady, or have they varied?—They fluctuate.

1097. Do they fluctuate almost every year?—That is governed by the demand.

1098. You never found any difficulty in procuring whatever quantity you required?—Sometimes in the article of young Hyson, it was difficult to procure sufficient of the best quality; of the other teas generally abundant, or often abundant; the young Hyson of fine quality was often scarce.

1099. In the market at Canton, is there any difference in the price of tea of the like description, in consideration of its being older or fresher?—Old teas are always sold cheaper in China.

1100. Does the same difference in price prevail in the United States?—They are always more difficult of sale; if the market was abundantly supplied, it would be difficult to sell old teas, unless the quality of them was very fine.

1101. With whom were the transactions carried on at Canton for the purchase of the teas generally?—A part was always bought of the security merchant; the residue from other gentlemen in the Hong, and a part from the outside merchants or shopmen, as they are called.

1102. In what proportions?—I cannot speak to that; I should think that would vary.

1103. Is the quality of tea purchased from the outside merchant equal to that procured from the Hong?—I should think it is, some of them being highly respectable; in short, quite favourites, one or two of them.

1104. So that you think teas of equally good quality are to be procured from the outside merchants with those obtained from the Hong merchants or the security merchants?—I think they are, but probably not in the same quantities.

1105. You have stated the commission to a supercargo to be three per cent?—I think it was uniformly so.

1106. Have you ever, instead of employing a supercargo, employed any resident agent at Canton?—I have not myself, but some of the merchants of Philadelphia did.

1107. What was the commission they paid to the resident agent?—It would not vary much from three per cent; if it varied it would be a mere fraction, it would not be more.

1108. You would prefer employing a resident agent to a supercargo perhaps?—There are often two supercargoes on board the vessel, and it is a protection to the cargo.

1109. Do you allow any commission on the outward investment?—Not any. The outward investment is dollars; the commission is solely on the purchase at Canton, or on the amount of dollars paid there.

1110. A supercargo going to Canton has no commission on the investment at Philadelphia?—He has no commission save on the amount invested for the return voyage.

1111. Is no commission given to the native or Hong merchants?—None that I know of.

1112. When you talk of old teas, what is the age of a tea you consider as old?—I should suppose the teas of the previous year are considered old: but they might have been on hand longer.

1113. Can you state from recollection the comparison between teas of the like description of the preceding year or the current years?—In two or three instances I ordered old skin teas, if they were to be had cheap, and the old teas cost 17 or 18 tales, when the new teas would be worth 22 to 24.

1114. Do you mean to say that there is a difference of at least 30 per cent in the value of teas of the like description, from the circumstance of the one being a year older than another?—I do not think that the difference in value will be generally

generally so great, but I mean to speak from what I have experienced in solitary instances.

1115. Does that difference apply equally to the finer teas?—I think not in so great a degree as to the common teas.

1116. Do you know what is the duty now paid on tea in the British provinces of America?—I have understood it to be very small. I do not know whether it is more than two to four pence per pound.

1117. Have you the sale prices of tea at Quebec or Halifax?—I have not any.

1118. Has the consumption of young Hyson greatly increased in the United States compared to other teas?—It is the favourite tea, and there is always a great demand for it; so much has been brought of it of inferior quality that the price has been reduced; the Chinese, finding the demand for it, increased the quantity.

1119. Has it happened in the importations that you have had to open any chests of bad quality?—I recollect receiving a chest of tea filled with sand, or something of that kind; I sent it back, and, if my recollection be correct, I received two for it. I know it is the custom in China to return two for one in case of fraud or deception.

1120. Do you consider the outside traders, the parties of whom you purchased tea, as men of fair character, and honourable in their dealings?—I believe the Hong and many of the outside to be fair dealers, and quite men of business.

1121. As much as are generally met with in the trade of other countries?—Their character is sometimes lightly spoken of; but I have heard American gentlemen say that it is unjustly so, that they find them fair.

1122. Do they ever give any credit in China?—I think in the year 1819–20 I experienced misfortunes in England, and I received a credit of a few thousand pounds from Howqua; he knew nothing of me but from inquiries.

1123. Do you consider the Chinese merchants, and the authorities in China generally, as disposed to give every facility and encouragement to fair trade with the United States?—I think so; it is generally understood what is called a rich ship in America is very acceptable in Canton.

1124. Do you know any other instance of credit having been given?—I believe the Chinese have suffered greatly from giving credits.

1125. Giving credit to Americans?—I will not confine myself to Americans; there certainly have been instances of their suffering.

1126. What is the difference between purchasing on credit and purchasing for ready money in the price of tea?—In the instance to which I allude, and I do not mean to speak beyond that, I paid Howqua one per cent per month until the money was returned; I accomplished that in 10 months; it was impossible to calculate the interest, not knowing when the vessel would arrive, and I think I still owe him 50 *l.*; but he sent me the bond, giving it up, saying, I had been prompt, and he did not wish for any more.

1127. As far as your experience goes, have you every reason to think that, in transacting business generally at Canton, there is the same disposition and facility to encourage fair dealing as in other countries?—I have no reason whatever to doubt that.

1128. Have you ever, in any of your dealings with England or any other country, found the merchants give up 50 *l.*, which you considered them entitled to?—I never owed interest-money to any one; this was accidental.

1129. In fact, you do not consider the Chinese as disposed to thwart or throw obstacles in the way of commerce carried on in a fair manner with foreign merchants?—I should conclude them rather friendly to commercial intercourse; vessels going there with Spanish dollars, I think, have great advantages, and are very well received.

1130. Have you any experience of vessels going there with assorted cargoes of manufactured goods?—I never shipped goods myself, only I observed what my neighbours were doing.

1131. Were you connected with the China trade at the time of the great fire at Canton?—No.

1132. Do you know whether the losses sustained by the merchants of the United States were made good by the Government?—Only by report.

1133. Have you any reason to doubt that the trade of the United States with

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Canton, when the effects of this over-trading are done away, will be a remunerating trade like others?—I should think it would, if conducted on correct principles.

1134. What has been generally the freight per ton from Philadelphia to Canton and back?—In the periods in which I was first interested vessels were in request rather; we pay ten per cent on the amount shipped; paid the money in China, and were entitled to two tons and one-eighth measurement for every 1,000 dollars shipped.

1135. Do you know the present rate?—I believe it is lower; but I cannot speak to that.

1136. Is there any protection by any public authority, on the part of the United States, to the trade of their citizens at Canton?—There has been a consul there.

1137. Is there one now?—I am not certain; the gentleman who resided there has returned to America; but whether there has been a successor appointed I am not certain.

1138. How was the consul paid?—I do not think he received any thing, but I am not certain; I heard it said that he acted gratuitously, but I cannot speak to that.

1139. Since the period you first embarked in this trade, the quantity of tea required for America has probably increased?—Very greatly.

1140. Supposing it to increase in the same proportion in the next 30 years as it has done in the last, do you think there would be any difficulty in supplying the increased demand?—I cannot well answer that question; I have always understood the Chinese could supply any quantity of tea; but I am not able to answer that question.

1141. Was there any difficulty experienced from the increased demand?—It enhanced the price a little, but not materially on that account I think.

1142. Has there been any difficulty in procuring the black teas in China, now that the demand for that article has increased?—The importation of black teas from China into the United States has been very limited till lately; I have never heard of any difficulty, but I cannot speak to it; I never remember any.

1143. You have stated that the quantity now imported, and the demand for it, are increasing?—Yes.

1144. But you never heard of any complaint of difficulty in procuring it?—No.

1145. With respect to green tea, do you contemplate any difficulty, supposing the quantity of that required to be increased?—I cannot speak to that; but I never heard any apprehensions on that head expressed by any one.

1146. Do you know whether the Americans, in their supply of black tea, are limited to qualities which do not suit the British market, and are not taken by the East India Company?—The black tea imported into America is chiefly Souchong, or what is called Souchong; very good tea; I make use of it myself; I never heard any difficulty expressed.

1147. Do you find it of as good quality as that you find in England?—It was very good tea; it would be wrong in me to speak on that head, it being rather a new thing, or new to me; the fine black teas in Englend are of excellent quality.

1148. Are the port charges required by the government of China very considerable on American vessels?—The ships going from the United States generally will average about 350 to 400 tons; the port charges are supposed to be 7,000 dollars; they used to be reckoned at eight.

1149. Supposing the ship to be double that size, will the port charges be the same, or greater?—I understand the same; but I cannot speak to that.

1150. You are not acquainted with the trade of Sincapore, or any other port?—No, I am not.

1151. The first thing a ship does on arriving at Canton is to make an arrangement with the security merchant?—The supercargoes land, I understand, like men of business, and go first to one Hong and then to another, and inquire the prices of goods, and secure the ship with the person to whom it may appear to them of most advantage.

1152. With the member of the Hong, who will do it on terms the most favourable to the ship?—Yes.

1153. The parties then go from one Hong merchant to another, till they have ascertained who will do it on the most favourable terms?—So I understand.

1154. They

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1154. They are at liberty to employ whichever they please?—I have understood they were on shore several days before they fixed.

1155. Making their bargain?—Yes, so I understand.

1156. And the government does not interfere to prevent that?—I believe not at all; I have always understood the business to be simple and easy.

1157. Does it amount to any thing more than an agreement with the Hong merchant to take a certain quantity of goods from him for his being the security?—I believe they uniformly purchase a part at the price agreed on.

1158. Not higher than the market price?—No.

1159. When you state that it is a simple operation, he agrees with the Hong merchant, who will supply him with a certain quantity of goods on reasonable terms?—Yes; but if I go with a rich ship, I can make good terms: I pay money, of course, which gives me advantages.

1160. They are glad to supply you at the market price?—Yes, very glad.

1161. Is not the difficulty greater when you carry out goods than when you carry out specie?—I never shipped goods; I should conclude it was certainly greater.

1162. You have stated that you have carried on this trade from the year 1799 to 1811?—Yes; and occasionally the last time in 1820.

1163. Is there any circumstance in the trade, according to your opinion, which induced you to leave it off?—I did not find it profitable.

1164. You have stated that new tea was greatly superior in price to old tea; do you mean new tea bought in China, or tea which has been long kept in the United States of America?—I intended the remark to apply in both ways.

1165. What period do you consider long in tea, after its arrival, being kept in the United States before it was sold?—At New York, in the case of some of the persons who have been unfortunate, the old teas were sold at ruinous prices.

1166. How long had they been kept on hand?—They had forfeited the drawbacks, of course; they had been more than one year in the country; probably two; I cannot speak to the time; they were sold very low in the case of Mr. Smith.

1167. Without any other circumstance in the market, the quality of the teas was held to be of less value in consequence of the time they had been on hand?—Yes.

1168. You have stated that the trade became less profitable; can you state what the profit was by your last investment from China?—I did not make much, or rather I did not make any thing; I believe it has occasionally been better since.

1169. Did you ever hear of any disputes arising between the American subjects and the Chinese government?—I have mentioned that in those cases wherein I was interested nothing unpleasant ever occurred; I only know from the public prints relative to the sailor; a case which has been mentioned; the vessels in which I was interested never experienced any difficulty.

1170. You have had no information from other persons as to those disputes?—No, I have not.

1171. You have stated the proportion of price in China between the fresh teas and the old teas; have the goodness to state what, upon the average in the towns of America, is the difference between teas of a year old and the fresh teas; is it five, ten, fifteen per cent, or what proportion?—Taking care what I say, I should say it exceeded five per cent; but I do not mean to pledge myself. It is extremely difficult to sell them, unless the old teas have been originally of a very good quality.

1172. Is it not an universal opinion that the quality originally of some of the fresh teas is better than of the stale tea?—There is uniformly a decided preference; it is extremely difficult to sell the old when the new arrives.

1173. Are you aware that the East India Company in this country are obliged by law to keep their teas a year before they sell them?—I have heard that the teas were kept a long time; I was not sensible of it; I have heard the subject mentioned; I have no knowledge of the law.

1174. Supposing that to be the case, and that the East India Company, either by compulsion of the law, or other circumstances, were in the habit of keeping their

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teas always a year before they sold them, do not you think that any other trader offering in the market fresh teas would find a great preference over the Company? —Decidedly so.

1175. That the taste of this country, like that of America, would pronounce itself in favour of the fresh tea over the stale?—Decidedly so.

1176. You have stated the duties in America to be levied on the different teas, mentioning the teas by name, so much on Souchong, so much on Twankay, and so on?—Yes.

1177. Is it not common for one quality to be packed up in China with a different name, Hyson for Hyson-skin, or young Hyson, and so on, for the purpose of affecting the rate of duty to be collected in America?—That would be considered a great fraud, and, of course, persons of respectablity never do such things; I have no knowledge of it myself; I have heard of a person in New York practising some deceptions, but of course he lost credit, and the thing was discontinued I imagine; I have no knowledge of such frauds, and cannot speak to them; I should consider the instances very few.

1178. Do you suppose that if, for instance, young Hyson was packed for Hyson-skin, a custom-house officer could distinguish the qualities on their arrival? —I think he could.

1179. And that any fraud attempted of that description would be detected?— If such frauds exist the instances are very few.

1180. You have stated up to what time your trade was profitable and when it ceased to be so, and when you were induced to retire from it; from the period that the China trade ceased to be profitable, has not almost all foreign trade of every description been losing?—All foreign commerce from the United States has, generally speaking, been very unprofitable.

1181. Do you think that this China trade to which you allude has merely fallen into the same position with almost all the shipping trade of the country?—When I left the China trade I turned my attention to cotton, which my friends and connexions in Lancashire were quite at home in, but I did not better myself much.

1182. The commerce generally has been a losing occupation for many years past?—I believe a good deal so.

1183. Were you ever concerned in a whole cargo to China?—Merely as shipper on freight.

1184. To what extent?—As my capital increased my business increased, commencing moderately.

1185. That is the practice in the American trade?—Yes.

1186. When you speak of the foreign trade of the United States being a losing one, do you mean to apply that remark to the import of raw materials into this country, or the whole course of trade, including the import and export trade?—I believe that a person who imported English dry goods judiciously, what I would term a practical man, even yet, under all the difficulties, makes a little money; at least if he did not grow very rich, he would get a living, I think, with economy.

1187. The profit made is chiefly on the export of manufactures from this country to America?—The commerce of the United States is very extensive; and various persons who export colonial and domestic produce often lose money; persons who import English goods on a moderate scale, and have judicious agents in this country, I believe, are rather benefited, but not materially, of late.

1188. The benefit of the trade, upon the whole, consists more in the profit on the manufactured article than in the exportation of the raw material?—Yes, I think so; importers of French goods do well sometimes; but to these points I cannot speak explicitly.

1189. Have you ever imported any China silk goods?—I have done so.

1190. Have you ever imported any raw silk?—Never.

1191. Has the profit on China silk goods been equal to that on tea?—I think, on the whole, better.

1192. Have you ever imported any nankeens?—Yes.

1193. What proportion of profits do nankeens bear to other articles imported? —The nankeens were often a bare article; sometimes they lay on hand.

1194. Should

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1194. Should you say that the demand in America for tea is increasing?—The population increases greatly, and the demand for tea increases with it; the usual breakfast is coffee; they drink tea in the afternoon.

1195. Do the labouring classes in the United States drink tea as they do in this country?—I believe they do.

1196. Was there any export of tea from the United States to any of the southern ports of America?—A little, I think, but limited; I cannot speak to that; I have heard of it.

1197. Do you know that any teas are smuggled into the Canadas?—I have heard much of that; I have been in Canada, and heard of it there, and I suppose it did exist; I have spoken to that in the former part of my evidence.

1198. When you mentioned the quality of tea in America to be as good as that in England, did you refer to the fresh tea in America or the old tea?—I believe the whole of the green teas, the Hyson, the Imperial and Gunpowder, to be as good tea as can be produced, in my opinion.

1199. As good tea as there is here?—Yes, I think so; they have been bought for Spanish dollars.

1200. Do you refer to the fresh teas of those descriptions, or the year-old teas of those descriptions?—I refer to the teas generally, when they are imported, being of as good quality as can be procured.

Lunæ, 1° *die Martii*, 1830.

John Francis Davis, Esq. again called in; and Examined.

JohnFrancisDavis, Esq.

1 March 1830.

1201. THE Committee understand that trade, on the part of the East India Company, is given in shares to the Hong merchants; will you state the proportion of those shares?—The shares are in number 21, of which the chief Hong merchant has four, the four next three, and the two last two and a half each.

1202. Are there not some of the Hong merchants insolvent?—Certainly not; they are all in full trade.

1203. Do each of them really receive those shares of the trade?—Some of them receive more, according to the teas which may be at their disposal beyond the actual *contracts*. Those proportions apply only to what are called the contract teas, about three fifths of the Company's investment. The remaining two-fifths are left to be filled up by casual tenders on the part of those who may have the best teas to offer.

1204. Are the casual tenders always from the Hong merchants, and never from any other party?—From the Hong merchants.

1205. Are those shares considered of value?—As regards the teas, but otherwise as regards the imports; for the Hong merchants sustain a loss upon a great number of imports.

1206. Upon the whole, you consider them valuable?—They must be so.

1207. Have you ever heard them estimated at any certain amount?—I have heard such conjectural estimates; but they must be mere guesses, as we cannot have access to their books.

1208. Have you ever known them to be sold?—Certainly not; it is quite out of my knowledge.

1209. Did you ever hear that each share was reckoned worth 40,000 dollars?—It must be a guess on the part of the person that reckoned it.

1210. With respect to contract teas, is the contract made each year?—It is made in the preceding season for the subsequent one.

1211. And the price then settled?—Always in reference to each denomination of tea. There is a descending scale of prices; and in reference to the tea which may be produced under each class, the price is settled.

1212. Is that series of price settled every year, or does it go on from year to year?—The series of prices, in reference to qualities, is settled, and has been for some time. One difference I recollect that lately took place; it was a general reduction of the prices of teas, one tale under every character. It took place in the year 1825, and was in favour of the Company to the amount of about 20,000*l.*

1213. Then, with the exception of that diminution, the prices for each class of tea have been settled for some time?—They have.

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1214. Do you remember how long?—I cannot state exactly.

1215. But from 1825 to the present moment the same price has been given?—Yes, generally.

1216. Are the teas that are not contract teas purchased also according to a scale of prices, or according to the market price?—They are purchased in reference to their quality, and according to the scale.

1217. That is, in fact, upon the same rule with respect to price as the contract teas?—No; they are necessarily lower in price, being lower in quality.

1218. What do you call the teas which are not contract teas?—There is a certain portion called "winter teas;" the remainder must be described by the negative term, "not contract teas."

1219. According to their quality, would the teas that are not contract teas be purchased by the Company at the same rate as the contract teas?—No; they are always understood to be lower.

1220. In what proportion are they lower?—The proportion must be gathered from the total; it is impossible for me to state it.

1221. Upon what ground is it that they are lower?—On the ground of their being inferior, or perhaps old teas.

1222. Are they always old teas?—Not always; but upon the ground of their being generally inferior.

1223. Is there not a portion of the winter teas which is of a superior quality of tea?—The winter teas are always purchased in the current season for shipment in the subsequent season. They are what were rejected as "contracts;" they were *below contract quality*, and are taken at a very reduced price.

1224. Are they invariably below?—They must be below, having been offered as contracts, and not accepted.

1225. Then are the Committee to understand, that all the tea which is not contract tea has been rejected in the antecedent year as contract tea?—In the current year—not all; only the winter tea.

1226. But the other portions, which are not winter teas, have not been rejected?—Those which are not winter teas have not been rejected.

1227. What proportion do those which have not been rejected bear to those which have been rejected?—It is very difficult for me to state, because the quantity of the winter teas varies in different seasons.

1228. Can you furnish the Committee with an account, for two or three years, of the proportions of the teas?—The total investment of the Company's black teas is about 270,000 chests, of which the contracts are three-fifths. Of winter teas there are, I think, about 20,000 chests; but this varies.

1229. The winter teas being the rejected teas of the antecedent year?—Of the season antecedent to their *shipment*. They are purchased in February, and shipped in the subsequent October or November. They are rejected, not as being positively bad, but as being comparatively inferior to the high class called contract.

1230. Then the prices paid by the Company are settled according to the scale, and without reference to the market price of the day?—Yes; but they are lower than the contracts. They are settled according to the scale, subject to change and alteration. The Company has always regulated the market price of teas.

1231. When did any change take place?—The last considerable change took place in 1825, but I will not say that some denominations have not been lowered since.

1232. How is the price fixed upon this scale?—The price is fixed according to a certain classification under each denomination. There are not less than ten classes under each denomination; for instance, under the denomination of Congo, there are, in fact, more than ten classes.

1233. Between what parties is it that this price is fixed?—Between the buyers and the sellers: between the Hong and the Company.

1234. Do you know whether the teas that are sent to Canada are purchased by the Company according to the same scale of price as those sent to this country?—They are not contract teas; they are of a lower description.

1235. Do they form any proportion of the shares which the Hong merchants supply by contract?—No; the whole consignment is to the amount of not more than 100,000*l.*

1236. Those are not purchased then according to this scale of price?—They are purchased according to the price which the Company choose to affix to each quality.

1237. Are

1237. Are they higher or lower?—They are lower than the contracts, and of a lower quality.

1238. In proportion to the quality, are they lower than the contract teas?—I believe the price is proportioned, as well as can be, to the real value of the commodity in both cases.

1239. Can you speak positively to that?—I should say decidedly.

1240. How are the prices of woollens, which the Hong merchants take, affixed?—According to the demand.

1241. The same way as the teas?—Yes; except that the relative situation of the parties dealing becomes changed. The one become sellers, and the other buyers.

1242. But still it is a mutual agreement between the parties?—Certainly. I would add, that the last consignment of woollens to China, it is estimated, will yield a profit upon the whole, if the prices remain the same as they were by the last accounts.

1243. Supposing then, in so far as the value of woollens goes, that there were an arbitrary price put upon the woollens and upon the tea, it does not follow that we should ascertain the exact value of the teas purchased by the Company?—They must both be regulated according to the best conception that the two parties have of the supply and the demand.

1244. But they are not regulated according to the price of the day in either instance?—They must be; the market price of the day must be as much as the sellers can get, and as little as the buyers can manage to give.

1245. When the Americans entered into the trade of supplying Canton with manufactured goods, did the price of the manufactured article fall in the Canton market?—Certainly it did.

1246. Did the price of the woollens that the Company furnished to the Hong at the same time sustain a corresponding failure?—They certainly fell; the Company had to complain of a fall.

1247. To what extent?—I cannot tell exactly.

1248. Are there any minutes kept of the agreements between the Hong and the supercargoes?—They are all on the Company's records.

1249. Do you remember when the last arrangement was made between the Hong and the supercargoes, with respect to the price of woollens?—The arrangement takes place every year, with reference to the supply and the demand.

1250. Do the prices vary every year?—Certainly.

1251. But not of the teas?—Yes, I have said before that they did. There was a variation in the whole investment in the year 1825, since which time I cannot exactly speak to particulars.

1252. Are you aware that if tea was purchased in the market of Canton, for ready money for instance, it might be bought at much lower rates than those paid by the Company?—I think the evidence I heard in this room went to prove that. That what the Americans call a rich ship, that is a ship freighted with *dollars*, will always be more welcome to the Chinese than a ship freighted with *manufactures*.

1253. Do you know the proportion in which teas so purchased for ready money would vary from the contract prices paid for the teas, supposing the quality to be the same?—Except that it would be lower for cash, I cannot speak exactly.

1254. Do you conceive that there would be a difference, upon Bohea for instance, of from 9*d.* paid by the Company to 5*d.* and a fraction paid by the Americans?—The denominations of teas can be no guide whatever with reference to the value of the teas. There is as much difference between the quality of teas of the same denomination, as there is between wine sold at a tavern and that drunk at a gentleman's table, although they are both called Sherry or Madeira.

1255. Are there no means of comparison at all between the prices paid in the market of Canton, and the contract prices of the Company's teas?—They are both in proportion to the real value of the commodity; and the contract teas are of a very high quality. I am not aware that they are bought by any but the Company in general.

1256. In the year 1825, when a different arrangement took place about price, was there a meeting between the Hong merchants generally and the supercargoes, with respect to that alteration in price?—That would be the way in which such a measure must be operated.

1257. Do you remember whether it did actually take place?—No doubt it did.

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1258. Are there any minutes of it?—There are the fullest minutes of every transaction that takes place, regularly sent home, in what are called 'Public Consultations," to the India House.

1259. Can you inform the Committee of the particulars of an arrangement entered into between the select committee and the supercargoes and the Hong merchants in the year 1828, not long after the failure of the security-merchant Manhop?—There are complete minutes upon the subject at the India House; and they are of better authority than I am, for I happened from necessity to be absent from the spot at that period.

1260. Do you recollect what the substance of the agreement was, whether it was not agreed by the Hong merchants, under a penalty of 20,000 dollars, or some such sum, to be paid by any Hong merchant who should, after a certain date, grant a license for the sale of any foreign imports to any other person than a Hong merchant, or to ship off any goods purchased from an outside merchant?—This arrangement among the Hong merchants took place entirely without the instigation of the committee, or their interference. It was in consequence of this edict from the Hoppo.

"From his Excellency the Hoppo, Wan Ta-Jin, to the Linguists Achow and others:—

"It has been found out that some persons, who formerly opened shops for European wares, have entered the merchants' Hongs and clandestinely do business with foreigners; but foreign ships coming to Canton are restricted, in all their imports and exports, to deal with the Hong merchants. If native shopmen carry on a clandestine commerce, the law accounts it a treasonable intercourse. The severity of the law is to prevent frauds on the revenue. But the shopmen evade the law by forming connections with the Hong merchants, gradually entering and assuming a false pretence of superintending the Hong concerns, carry on their illegal shops with the foreigners, and bring up and send down cargoes in the name of the Hong. The merchants connive at it, and the linguists receive bribes to report the duties. But it is forgotten that large debts for duties are accumulated, and foreign claims increased, and the Hong merchants are eventually injured. The best way to prevent future evils is to be careful beforehand. Besides ordering Howqua and the other merchants to examine whether there be any shopmen in the Hongs or not, and forthwith to expel them instead of retaining them to carry on an illicit commerce with foreigners, and declaring that if any dare to disobey this order, on the facts being discovered, the goods will be confiscated, and the shopmen delivered over to the local government to be punished. Besides doing these things, an order is hereby issued to the linguists, requiring them to act according to the tenor of this; and hereafter should any shopmen clandestinely enter the Hongs and deal with the foreigners, the linguists are disallowed to report their goods at the custom-house, and are required to give information to government that the goods may be confiscated. Should the linguists openly assent to and secretly oppose this order, and as before report goods at the custom-house, the moment it is discovered they will be severely punished.—Dec. 17th, 1827."

1261. Are there not frequent proclamations or edicts by the Viceroy and by the Hoppo against smuggling of every kind?—This was a more particular one, in consequence of the successive failure of three of the Hong merchants.

1262. Are not frequent proclamations of that kind issued against smuggling and illegal transactions?—Not so frequently against what is called the "outside trade" as against the opium trade.

1263. Are not those considered matters of course, and does not smuggling go on increasing notwithstanding?—I would confine the observation to opium, because that is a contraband article which cannot pay duties. The edict quoted is quite of a different description. I have not known more than three or four since my residence in the country. I remember one in 1817, when the Company interfered *in favour* of the shopmen, and requested the government to allow them to trade to a certain extent with the ships without being subject to the interference of the Hong merchants. That application failed; and it appears that there were 200 shops soon after shut up by order of the government. This last was without any complaint on the part of the Hong; it was a spontaneous act on the part of the government.

1264. Are the Committee to understand that the Company entered into no arrangement with the Hong merchants in consequence of that?—The Company had

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had that year suffered very much by the abstraction, from their contracts, of teas of which they had always been accustomed to have the first choice; and the Committee then thought that as they had suffered in that year's investment, it was for the interest of the Company to endeavour to maintain their accustomed advantage. The Court did not enter into these views to their full extent, and the resolution of the Committee has been altered; but they did at the moment think that it was for the interest of the Company to tell those Hong merchants, whom they suspected of conniving at the system, that if any individual of their body contributed again to the injury of the Company's investment for the sake of a higher price, the Company would diminish their dealings with him.

1265. Did they not state to the Hong merchants that they reserved to themselves the right of depriving of such Hong merchant of any share of the Company's trade if they should again grant parcels, or permit facilities to the outside merchants to deal with the Americans and other traders?—It did not extend to the general trade in articles which had always been allowed to the shopmen. It was with reference to teas more especially; with reference to matters which affected the Company's investment and the Company's interests.

1266. As regarded tea alone, did they make their intention known to the Hong merchants?—Yes; they told them that if they found their investment suffered, they should consider it their duty to show their disapprobation, by dealing less with the merchants who connived at it.

1267. Are the Committee to understand that the Chinese were themselves anxious to deal with Americans and others, and thereby abstracted a portion of the Company's trade, but that the Company's servants interfered to prevent it?—The Company's servants at that time thought it was their duty to preserve the first choice, which they had always enjoyed, of those superior teas; and they thought they could do this in no other way than by telling the merchants that they would deal less with any individual of their body who injured the Company's interests by contributing to the new system.

1268. In fact, they were anxious to keep up that preference which they had in the choice of teas, notwithstanding the outside merchants wished to deal with others?—They did; but the idea has been since given up, in consequence of the receipt of a reply from the Court, saying they thought it was better to let things take their natural course.

1269. Then, in fact, did matters revert to their old channel, notwithstanding the edict you have now read?—Certainly not, with regard to all commodities. It is still held by the Canton government to be traitorous for an outside dealer to deal in certain staple articles.

1270. Can you state any instance in which the government has acted on the spirit of that edict, and punished any outside merchant for dealing with Americans, or any other foreigners?—I have not yet heard of any instance since that edict.

1271. What is the Chinese punishment for treason; what penalty would attach to that class of treason which is designated by this trade?—Treason, strictly speaking, is the highest crime that can happen under a despotism; and in China entails the highest punishment. What sort of treason dealing with foreigners is I am not aware; but it might probably be punished by banishment for life to Tartary.

1272. Have you ever known that punishment inflicted for that offence?—Soon after the Company's interference in 1817, 200 shopmen were taken up and punished; the least punishment, I believe, was the confiscation of their goods.

1273. At what time was that?—In the year 1817.

1274. Have you ever known such a proceeding taken at any other period?—Constantly; it has happened every two or three years since I have been in the service that outside men have been apprehended. It is for the purpose of extorting money from them.

1275. Has it, in point of fact, interrupted the proceedings of the outside merchants?—It never can entirely. I consider the outside trade at Canton to be perfectly secure in regard to certain permitted commodities, but not in regard to the others.

1276. Have you ever heard that outside merchants have given sums of money, 5 or 10,000 dollars, to the Hong merchants, for their pass to cover certain exports, which legally they could not send without the Hong merchants authority?—They have, I believe, bribed them.

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1277. Has not that been of very frequent occurrence?—I believe that no outside dealer, where his business is illegal, can manage well to carry on such transactions without bribing the Hong merchants. It is a sort of tax on the outside trade.

1278. The Committee understand from you that the Hong merchants have legally a monopoly of the trade from the port of Canton?—In staples.

1279. Do you mean in the trade with Europe and India?—The Chinese do not discriminate between the places from which foreigners come.

1280. Do you recollect any articles which are excepted from that monopoly?—There is one which, I believe, is now excepted, namely, silk piece-goods; it is a trade which the Hong merchants cannot carry on, being a business of detail, fit only for the outside dealer.

1281. Did not that take place in 1828 by proclamation?—The proclamations were against free trade; but silk has been allowed to the outside dealers.

1282. Then except silk piece-goods all other articles are considered illegal, if they do not go through the Hong merchants?—Besides silk piece-goods there are a variety of trifling things. The daily wants of a foreigner at Canton must be supplied from the shops; for instance, a man could not go and buy a pair of shoes from Howqua. There are besides sugar-candy, and mats, and things of that kind.

1283. Are you aware of sums of money being paid by the outside merchants to the Hoppo for the privilege of exporting?—I am not aware of that; I should say, they were paid to the Hong merchants. The Hoppo is in a situation too high to admit of bargains between him and the outside dealers. I should think the bribes were paid, in part, to the underlings of the Hoppo.

1284. Will you state what the office of the Hoppo is, and what his duties are, and the importance of them?—He is the third civil officer in rank at Canton; he ranks after the governor of the province; and he is chief commissioner of the customs. His duty is to superintend the foreign trade in general.

1285. Are you aware whether he is paid by salary, or by commission?—I believe that under that corrupt government he receives very little positive salary, and is allowed principally to pay himself. Most of the situations connected with foreign trade are sold to the best bidder, who remunerates himself as he can.

1286. Have you not heard that that is principally done by conniving at evasions of the revenue?—I believe that it is to a considerable extent, and by some that he wrings from the Hong merchants; in every way, in fact, that he can obtain money.

1287. Are the Committee to understand that there is a disposition on the part of the Chinese outside merchants to deal with foreigners, but that the Hong, by the privileges which they possess, restrain them?—I should say, that there is necessarliy a disposition on the part of the outside dealers to participate in the lucrative trade with foreigners, but that both the government and the Hong merchants are, from interest, opposed to it; the government, because they are more secure of their revenues, if they come regularly; and the Hong merchants naturally, with that self-love which leads every man to do the best for himself, and the body to which he belongs.

1288. But you say that the government have relaxed in some of the regulations in favour of the outside merchants?—I believe that in one article they have, either by positive connivance, or by positive enactment, allowed the silk trade to the outside dealers.

1289. Was there any written contract, on the occasion that has been mentioned, between the supercargoes and the Hong merchants?—I believe that it was just in so many words, addressed to those Hong merchants, whom they suspected of having assisted in depriving them of their accustomed choice of teas, that they would show their displeasure towards any Hong merchants who contributed to it, by dealing less with them than with others.

1290. Have you any knowledge of a letter addressed by the American agent to the chief of the select committee, remonstrating against such part of the arrangement in question as involved his interest as an American?—Some of the Americans (for all of them would not sign these petitions to the government,) had endeavoured to bring the British into odium with the Chinese. I think on the Company's records there is a copy of an address of theirs, saying that the British had set themselves up in opposition to the Emperor—a charge of the most injurious cast in such a country as China;—and we at that moment felt that we owed so little to the Americans, and particularly to this individual, that we returned a very short

answer.

answer. He wanted us to assist him on some occasion, and we returned him a very laconic answer, from the feeling that we owed him very little.

1291. Is that letter and that answer on record?—I think they both are on record. This petition had not been signed by all the Americans.

1292. Are you aware whether the American merchants at Canton, on finding that their trade with the outside merchants was put an end to by the arrangement made between the supercargoes and the Hong, held a meeting, and resolved to petition the viceroy against such proceeding?—I believe that those individuals of the Americans who had signed this previous petition did repeat their application through the medium of the Hong merchants.

1293. Have you ever seen a copy or translation of that petition sent in by the Americans?—I saw some five or six of them; but with regard to that particular one, I cannot say.

1294. Did not one of these petitions to the viceroy charge the agents of the East India Company directly with having originated the arrangement which the Americans considered so prejudicial to their interest?—If they did make that assertion, the records would show that it was incorrect.

1295. According to your recollection, was that the allegation in their petition?—It might have been their allegation; but if it was so, I must deny the truth of it.

1296. Are you aware whether any answer was sent to that petition from the Chinese authorities?—Yes; but the tenor of it I cannot speak to. There was so much correspondence that I cannot speak positively to any individual document.

1297. Have you ever seen the answer of the government to the American application?—I dare say I did, but its exact tenour I cannot charge my memory with.

1298. Do you recollect whether that proclamation for the first time legalized the transactions of foreigners with outside merchants?—I should say that there is no material difference at this moment with regard to the real state of the trade, except in the article of silk piece-goods. I have heard, though I cannot speak positively from my own recollection, as it did not concern us, that manufactured silk has been added to the other things that were before allowed to the outside dealers.

1299. Did it not, to the best of your recollection, as regarded the export of manufactured silks, and the import of all cotton manufactures, legalize the trade with the outside dealers?—Yes, I think it did; it admitted those things to the list which before existed of the trade permitted to the outside dealers.

1300. Will you have the goodness to read, from the Canton Register of the 2d of August 1828, a statement therein contained of a proclamation concerning the trade carried on by shopmen, dated July 14th 1828.

[*The witness read the same, as follows:*]

"Proclamation concerning the Trade carried on by Shopmen; dated July 14th 1828.

"Le, governor of Canton, &c. &c. with Yen, commissioner of customs at the port of Canton, hereby make known regulations agreed upon for carrying on commerce between native shopmen and foreign merchants, of all nations, and require obedience to the same.

"The treasurer and judge of Canton having received orders to meet and deliberate on the subject, reported to me, the governor, as follows:

"'We, being commanded to meet and deliberate on regulations for the trade between native shopmen and foreign merchants, ordered the Kwongchowfoo to unite with the Nanhae and Pwangu magistrates, and examine the old records on the subject, then consult and state their opinion.' They did so, and laid the result before us, when we came to the following resolutions:

"'Foreign merchants of all nations coming to Canton were formerly restricted, in their dealings with shopmen, to leather shoes, china-ware, &c. eight articles. Exclusive of these, all imports and exports were confined to the Hong merchants, who were made responsible for the duties, to prevent smuggling and such nefarious proceedings. The linguists were appointed solely for interpreting, and were not responsible for trade. It is proper to keep them on the old footing, in conformity with existing laws.

"'But the Hong merchants have now represented, that the Americans are desirous to be allowed to trade either with shopmen or Hong merchants as they please, whether for great or small commodities. And of late, foreign ships in

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greater numbers have come to Canton, in which are a great many trading skippers, for whom the eight articles to which they were restricted are insufficient. The circumstances of present and former times are different. That on deliberation, they would make out a list of the *larger articles* of import and export cargo, to be confined to the *Hong merchants*, and earnestly soliciting a change of the law, which would be showing compassion to the remote foreigners, and be beneficial at home. This was their motive.

" ' We (the treasurer and judge) commanded the officers before named to examine into the subject, and report, which they did. It is proper for us now to state the result; which is, that a list be made out of exports, *tea*, *raw silk*, &c. 24 articles; and of imports, *woollens*, *camlets*, &c. 53 articles; all of which large commodities the *shopmen* shall be *prohibited* from dealing in.

" ' All other goods not inserted in the list, whether exports or imports, coarse or heavy commodities, miscellaneous articles and eatables, shall be left free to the foreign merchants to deal with shopmen, and shall be shipped off by the Hong merchants, who are to be responsible for the *duties*. As to worked silks, since they are not brought from Soochow or Hongchow, but woven from time to time by natives of *Canton*. when applied for by the foreign merchants, and since the *Hong merchants* say that this practice is expedient both for foreigners and natives, it is right to grant their request [to leave silks free].

" ' All coarse and miscellaneous articles not inserted in the list are free to the foreign merchant who now chooses to deal with shopmen. But hereafter, if the shopmen incur debts, the *Mandarin merchants* shall *not* be implicated. The foreign merchant must, in all such cases, be *left to himself* to clear his account.

" ' With respect to shopmen dealing with foreigners, it is inexpedient to leave them without some one to inspect their conduct. We (the treasurer and judge) request that it may be made the duty of the Hong merchants and linguists to examine from time to time, and should there be any smuggling, the Hong merchants shall be responsible, and the linguists brought up and punished. This change seems required by the times; and since the foreigners will be compassionated, the merchants accommodated, and the *responsibility fixed*, there will be *no loss to the revenue*, nor any obstacle from the laws.

" ' Having received orders to examine and consult, we now submit whether these suggestions be right or not, and wait for instructions to promulgate them. We moreover request that a communication may be made to the Hoppo to examine and conform.'

" These statements have come before me, the governor; and as the deliberations are completed, I direct, in acco dance with the above suggestions, a list to be made out of exports—tea, raw silk, &c. 24 articles. [Here he quotes, *verbatim*, the preceding paragraphs, and desires the Hoppo to issue a proclamation in their united names to the Hong merchants, to communicate the orders of government to the foreigners of all nations, and to the native shopmen, that one and all of them may yield obedience to the same.]

" Thus the affair comes before me the Hoppo; and I hereby issue, in the name of the governor and Hoppo, the following orders. [Here he repeats, *verbatim*, the preceding, and then adds]—

" Let merchants, foreigners, linguists and shopmen, all be hereby fully informed, that hereafter they are required implicitly to obey the preceding regulations, to examine and conform their dealings to the list of exports and imports hereto annexed. Hong merchants alone are allowed to trade in the articles therein mentioned. Shopmen are not permitted to have any secret intercourse with foreigners.

" Of the wrought silks, each shop is to be limited to 8,000 catties. The said shopmen are permitted to deal with foreigners only in miscellaneous articles, not in the great articles of commerce.

" The foreign merchant, in dealing with shopmen, has been required to give in a list, through the linguist, whose ears and eyes were near, and can easily investigate. Hereafter, in reporting goods to be shipped off he must distinguish clearly which belong to Hong merchants, and which to shopmen. It is made the duty of the linguist to discriminate according to law, ere a permit be given, He is not allowed to confuse these things; if he do, he will be severely punished.

" The linguists are, besides, ordered to make out a list of all the foreign-goods shops, and whether the owners be substantial good people, and cause them forthwith

with to present to government associated names for security, to be preserved on record.

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"as to any debts that may hereafter be contracted by the shopmen, the *foreigners themselves* must manage the affair.

"It is incumbent on the Hong merchants and linguists to examine and report on what is going on. If they presume to conceal what they know, and any clandestine proceeding be educed, they will be severely prosecuted. Positively the governor's and Hoppo's words once gone forth, the law will follow. Positively no indulgence will be shown. Let every one implicitly obey. Oppose not this special edict.

"List of the 24 Articles of Export, (confined to the Hongs.)

"1. All sorts of teas. 2. Raw silk from Oakwong. 3. Silk prepared for weaving. 4. Canton raw silk. 5. All sorts of cloth. 6. Native cassia. 7. Cassia buds. 8. Sugar-candy. 9. Sugar. 10. Tutenague. 11. Alum. 12. Cloves. 13. Nutmegs (or mace). 14. Quicksilver. 15. China camphor. 16. Rhubarb. 17. Galangal. 18. China root. 19. Vermilion. 20. Gamboge. 21. Damar. 22. Star aniseed. 23. Pearl shells. 24. Cochineal.

"List of the 53 Articles of Import.

"1. Worleys. 2. Dutch camlets. 3. Camlets. 4. Long ells. 5. Broad cloths. 6. Cuttings of cloth. 7. Sorts of camlets. 8. Florentines. 9. Ginseng. 10. Sandalwood. 11. Birds nests. 12. Cloves. 13. Nutmegs. 14. Putchuck. 15. Olibanum. 16. Malay camphor. 17. Elephants teeth. 18. Pepper. 19. Foreign tin. 20. Ditto lead. 21. Ditto copper. 22. Ditto steel. 23. Cotton. 24. Rattans. 25. Betel-nut. 26. Smalts. 27. Prussian blue. 28. Bicho do Mar. 29. Fishmaws. 30. Sharks fins. 31. Materials for glass. 32. Ebony. 33. Sapan wood. 34. Cochineal. 35. Gum kine. 36. Myrrh. 37. Physic. 38. Assafœtida. 39. Physic oil. 40. Quicksilver. 41. Foreign iron. 42. Wax. 43. Cutch. 44. Pearl shells. 45. Sago. 46. Undressed nests. 47. 48. Flints. 49. Borax. 50. Amber. 51. Gold and silver thread. 52. All sorts of skins. 53. Mace."

1301. Does it appear by that proclamation through what authority the American petition was presented?—It could only be presented through the medium, and in the words, of the Hong merchants. The question resolves itself into the respective privileges which Americans and English possess at Canton; and in order to show that the Company have *not* been hostile to the Americans, I may state that I myself interfered, with the sanction of our Committee, in favour of an American named *Ammidon*, in 1825, and availed myself of the knowledge I had of the Chinese language to write a petition for him to the authorities, complaining of the conduct of the Hong merchants. That petition was sent back unopened to the American, with a message, to say that no American could communicate directly in the native language with the government. The individual's grievance remains to this day unredressed.

1302. Do not the Chinese government in that proclamation state that circumstances are changed, and that it is necessary for them to make alteration in their commercial regulations as regarded the outside merchants?—It says that the *eight articles* are insufficient, and that therefore it is necessary to enlarge it by the addition of the articles stated, principally of silk manufactures.

1303. Is it stated there that the Hong merchants shall have the privilege of dealing only in a certain number of staple articles?—It does not *prohibit* them from dealing in *other* articles: it says that they shall have the exclusive right of dealing in staple articles.

1304. Are you aware that there is a list of "enumerated articles," which none but British ships can import into England?—There is, I believe, a regulation of that kind.

1305. With reference to the estimation in which the English are held at Canton, have you ever seen or heard of placards in the Chinese language being posted up on the European factories, accusing the English of being the means of interrupting trade between foreigners and the outside merchants?—I believe there are placards put up by the Chinese occasionally against all foreigners, containing charges of a much more serious description than that; but I have not heard of those particular placards

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to which the question refers. Lampooning is very common in that country. They even placard the officers of their own government.

1306. Have you known of any placards complaining of the interference of the East India Company?—No; placards containing abuse of all foreigners I have heard of frequently, but not of the particular placard alluded to.

1307. Are you aware whether that proclamation has been acted upon in regard to permitting the outside merchants to deal with foreigners?—I believe that the outside trade is now very much in the same state that it has always been at Canton. It was legalized, with regard to certain articles, before, and to *that* list some commodities have been since *added*.

1308. In your former evidence you stated that the Chinese are decidedly an anti-commercial people; will you state any individual instance in which the Chinese have refused intercourse with foreigners?—They have excluded us from several ports to which we formerly had access. They have excluded the Russians from Canton.

1309. Do you recollect the date when we were excluded?—Not exactly; but it was about the end of the 17th century, in consequence of the conquest of the Tartars. The Tartars became masters of China, and were, I suppose, more jealous than the former government, and accordingly excluded us from Amoy.

1310. Have you ever heard that the Europeans excluded themselves from those ports to avoid the exactions made by the Chinese authorities?—No; I believe they were positively excluded by an act of the government; I believe they would not be admitted there now. I have seen edicts from the government, saying that foreign trade must be confined to Canton.

1311. Have you any idea of what the extent of the tea trade to England was at that time?—It was very inconsiderable compared with our present trade.

1312. Are the Committee then to understand that the tea trade to England, now so large, has grown up since Europeans were excluded from Amoy?—Certainly.

1313. Is not that new trade beneficial to the people of China?—It would be more beneficial (because I conceive it would be larger,) if it were nearer to the centre of the empire. That very great accession to the prices of tea, which arises from the long land-carriage, would be avoided, if the trade were nearer to the tea provinces.

1314. Must not so large a trade be beneficial to the country?—It cannot but be beneficial, as far as it goes.

1315. If the trade is beneficial, on what grounds do you suppose the government to be decidedly hostile to increase that trade?—Because it is decidedly hostile to foreign intercourse. The institutions of the country are built on the maxims of their great philosopher Confucius; and it was a leading precept of his to avoid intercourse with foreigners—"to despise foreign commodities;" those are his words. The sacred books of the Chinese are different from the sacred books of most other countries; they are not so much religious books as treatises on ethics and on government; and as long as the Chinese venerate those books, so long will the institutions built upon those books remain more or less unchanged.

1316. Does the veneration of the Chinese, whatever may be its appearance practically, prevent them from carrying on a foreign trade?—Principles of government that are absolutely preposterous in themselves, and contrary to the dispositions of human nature, must in fact render themselves futile to a certain extent; and to that extent the foreign trade prevails in China.

1317. Are you aware that the port-charges on vessels going to Amoy are much higher than those on vessels trading to Canton, even taking the Chinese junks?—I should think there is no difference between native vessels; all the extortion and the tyranny is chiefly in regard to foreigners.

1318. If it should be the fact that the port-charges at Amoy for Chinese junks are higher than the port-charges at Canton, might not that in some measure account for the cessation of trade to that port?—I really cannot speak to the difference of charges on native vessels.

1319. Can you speak as to the difference of charge which may exist at Amoy and at Canton, with respect to foreign vessels?—I can only speak from the trade at Amoy having been abandoned by foreign vessels, in consequence of those charges; but they were not so much charges recognized by any law of the country, as individual acts of extortion on the part of the Mandarins.

1320. When you talk of the exorbitancy of the charges, do you mean any excess of

of charge at Amoy as compared with Canton?—I should judge, from the result, that they were higher at Amoy.

1321. Were not the Spaniards the only nation that had the privilege of trading to Amoy?—All foreigners possessed that right formerly.

1322. Did not the Spaniards continue to have that right later than any other nation?—They had the nominal privilege; but that was rendered nugatory by the obstacles they experienced.

1323. How lately have they abandoned it?—Within the last 20 years one attempt was made, which proved unsuccessful. I should say, that all the ports of China are virtually as completely shut to Europeans as the ports of Japan, with the exception of the Dutch.

1324. Do you conceive the port of Amoy to be shut to all British vessels?—Certainly.

1325. As the trading intercourse in China of European subjects has increased, does it not show that the anti-commercial spirit is somewhat diminished?—I should say, that it was the operation of the interest of individuals against a preposterous policy.

1326. Does not that interest answer the same end?—It must be checked, to a certain extent, by the spirit and conduct of the government. The trade would be infinitely greater if we had access to several ports of the empire.

1327. You have stated that the Chinese government are aware of the advantage of the great trade with Canton?—I cannot say that they ever *expressed* themselves so, but very much the reverse; it may be *inferred* that they value it, to the extent of the revenue which they derive from it, and which is very inconsiderable, in proportion to the revenues of the empire. They would value it less, as they lost this revenue by the growth of smuggling.

1328. What is the amount of revenue remitted annually by the Hong?—I have heard it stated at 2,000,000 of tales; but that is a trifling sum.

1329. Is not that about 650,000 *l.* a year?—It is.

1330. Does that amount include the port-charges of the port of Canton?—I should think it does; that on whatever grounds it is calculated, it includes every source of profit to the government.

1331. Are there any local charges upon the trade at Canton, independently of the government duties?—I should think that the heaviest charge on the foreign trade at Canton was in the shape of extortion; much heavier than what finds its way to the coffers of the Emperor.

1332. Independently of extortion, is there any portion of the charges upon the trade which is locally appropriated at Canton?—There is a charge called the Consoo charge, for the benefit of the corporation of Hong merchants.

1333. Have you ever seen in the Canton Register, that the Hoppo, or treasurer of the place, is stated to have remitted annually to Pekin between 1,900,000 and 2,000,000 of tales?—I may have seen it, but I should not found an opinion on any thing that I saw in the Canton Register: it is not a work of sufficient authority.

1334. Are you aware whether the revenue remitted is merely the revenue on imports, or does it comprise the transit duties also?—It must include the revenue of exports also; for the Chinese charge a tax of 3 *d.* a pound on the shipment of teas at Canton.

1335. Are you aware whether the Chinese levy at Canton any duties in kind?—I am not aware of any such duties at present. There are a few clocks and watches, and such things, which are annually sent up to the Emperor.

1336. Are you not aware that the port-charges go to the Hoppo, as his private perquisite?—No; there is a proportion of about one-half, which goes to the Hoppo: the other ought to find its way to the Emperor.

1337. In your former evidence you stated that the government of China is as independent of foreign trade as that of any country in the world: how do you reconcile that with the statement afterwards given, that in 1814, when the English supercargoes suspended the foreign trade for six months, the government were so much affected that they yielded to the terms dictated by the East India Company?—I do not think that goes to contradict my former assertion, "that it is as independent as any government in the world," though it *was* thought proper in that case, by the local authorities of Canton, to continue this trade with foreigners. The English were (at that moment of war) the *only* traders at Canton; and if *they* had been excluded, all trade must have ceased.

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1338. Have you ever heard what proportion of the population are maintained in growing teas?—I cannot speak to that. We do not know what their whole population is, nor, accordingly, any fractional part of it: our sources of information are so unsatisfactory. Even their own books seem most contradictory, and to be founded on no grounds that can be relied on.

1339. Do you mean to say that the Chinese government, so long established, have no statistical tables or estimates, accessible to foreigners, of the population of the different districts?—I have seen one of those accounts, in which the population is made to be about 250,000,000; but I do not attach a great deal of faith to the correctness of it.

1340. Are you to be understood to state, that the provinces of Fokien and Kiangnan are principally employed in rearing tea?—Fokien, Kiangnan, Tchekiang, and Kiangsee.

1341. From what you have seen of China, is not it very difficult for the lower classes to live?—Is not there a great competition for labour?—I do not think there is much more abject, miserable poverty there, than in many other countries of the world: I am sorry to say, than in our own: I mean in proportion to the population.

1342. Are not wages low in China generally?—Wages are low, but the wants of the people are rendered comparatively few by the superiority of their climate: they are more independent of clothing, and lodging, and fire, than the inhabitants of colder countries.

1343. Has it not come to your knowledge, that there have been frequent rebellions and disturbances in different provinces in China?—From famines.

1344. What would be the effect, in your opinion, on a dense population like that of China, if the foreign trade, admitted by the statements to be so large, was suspended;—would it not add very much to the distress existing there?—It might to the local distress of Canton, but I do not think it would be felt out of the province of Canton, except, perhaps, in the tea districts.

1345. Are not those tea districts extensive, and their population numerous?—They must be large, judging from the quantity of tea which we export, and which is known.

1346. Do you not consider that very serious evils affecting the government would arise if their foreign trade was put an end to?—I am not aware that any evils arose in those ports from which we have been already excluded.

1347. Do not you conceive that there was a proportionate increase of export from Canton, when the exclusion of foreign trade took place in other ports?—Yes; but I spoke with reference to the *local* evils; not the general effect upon the empire, but the local evils suffered at those points from which the foreign trade was abstracted.

1348. If the produce of those ports found its way to Canton, would not the local inconvenience be limited to the inconvenience which might be sustained at the other ports?—The local inconvenience would be local to those places from which it was taken.

1349. Are you not aware that the tea province of Kiangnan is by far the largest and most populous province in China?—It was so long before the foreign trade ever reached China; it is a matter of ancient history that it always has been so.

1350. Has not the old tea trade, as an export, grown up since the time when it was excluded from the other ports, and must not circumstances be very much changed since that time?—That is a matter upon which I cannot speak from positive knowledge. The export of tea has grown up since that time; but in what proportion it has added to the population of those provinces, I cannot state.

1351. You are aware that the trade of 50,000,000 or 60,000,000 of people in Bengal is confined to the port of Calcutta. Would not the closing of the trade of Calcutta affect the general prosperity of the country?—I should think that, as we are masters of the country, our imports into India spread more uniformly over those dominions than they do in China, where they are restricted to Canton. It has been estimated that barely one ninth of our imports is consumed in the north of China, on account of the distance.

1352. The question refers to *exports* from China?—I am persuaded that the inconvenience would be chiefly local. The influence of foreign trade does not extend very far inland from Canton. I have had reason to form that opinion from what we saw in the embassy.

1353. What is the population of Canton, by the nearest estimate you have heard?—There are no sources from which I can give correct information.

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1354. Have you never heard that the population living actually in boats on the Canton river amount to nearly 1,000,000 of people?—I can only say I do not believe one word of that assertion; it is an outrageous estimate. Forming an opinion from what one sees, I should compare it with the river at London, and should say it was not any thing like so much.

1355. What do you suppose the population to be of the city of Canton and the suburbs?—I should think it cannot be a fourth or a fifth of that of London.

1356. Do you mean that according to the best estimate you can form, the number of persons living by occupations on the river at Canton is not greater than it is upon the river Thames?—That it is not so great as the number upon the river Thames at London; I mean the floating population in boats, and ships, and barges.

1357. Do not the rivers and canals of China afford great facilities in carrying on the trade to and from Canton; and are not the individuals so employed as industrious and enterprizing as men can be?—With all that has been done, the facilities are in a very inferior state to what they might be. The river which brings the teas to Canton from the frontier of the province, where it has to cross a high mountain, is a mere trout-stream for a great proportion of the way; and foreigners of all descriptions have been obliged to wait at Canton for months on account of there not being enough water in that river to float the vessels that bring the teas.

1358. Would you consider those individuals who carry on that communication more commercial than the population of Bengal?—The Chinese, if left by their rulers to themselves, would perhaps be the most industrious and commercial people in the world.

1359. Are they not, so far as you know, the most commercial people in the whole of the East?—Except the Arabs, perhaps; they do not navigate so far as the Arabs do.

1360. Will you have the goodness to explain how you reconcile what you have just stated with the answer you gave in your first examination, that the character of the Chinese was that of a decidedly anti-commercial people?—I am speaking now with reference to their *internal* commerce, the very circumstance which makes them so independent of *external* or *foreign* commerce. In my former answer, I was speaking of foreign commerce.

1361. Can you form any estimate of the quantity of tea retained for home consumption in China, as compared with the quantity exported?—No; it must bear a certain proportion to the population; but the quantity of tea consumed by the Chinese generally is very small. They economize the use of it wonderfully. An ordinary Chinese puts his tea leaves into the teapot in the morning, and they last him through the day. The drink is kept warm by a contrivance which forms a stratum of non-conducting air between the two vessels that contain it.

1362. Is there no means of forming an idea of what is the proportion which is exported as compared with that which is retained?—The proportion could only be ascertained by positive information as to the whole quantity produced; but that information has never been obtained.

1363. Have you no information, however general or however rough?—None whatever, as to the quantity that is produced; assertion is very easy, but proof is not equally so.

1364. Are you aware that the English and Americans have exported exceeding 40,000,000 of pounds of tea?—The Company have exported about 30,000,000, and the Americans about 8,000,000 by the last account.

1365. Taking the rest of Europe, is it not altogether within 40,000,000?—The consumption of Russia is stated at about 5,000,000, the consumption of the Continent of Europe is not quite 5,000,000, and the consumption of the whole civilized world, besides England, is about 22,000,000, while the consumption of England is about 30,000,000.

1366. Have you ever heard any estimate of what quantity is used for internal consumption in China?—I have never heard any information on the subject, that I can rely upon.

1367. Is the tea exported to Russia raised in the southern provinces from which we obtain our tea?—It is, I believe, raised in the northern part of the empire.

1368. Do you know where?—I am not very certain as to the locality. It is a different species of tea from what we use, and that is the best proof of the difference of the locality.

1369. Is there any quantity grown in the western provinces?—Not in the western. It is grown on the line of sea-coast on the eastern side.

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1370. Are you aware that when tea has been exported, and turns out bad, if the chest is returned two are given for one?—That may have happened in individual cases, and in the instance of the merchant Howqua, who is known for his liberality and his wealth; but I doubt it altogether as a general fact.

1371. Is it not a general thing on the part of the Company?—It is a different operation in the case of the Company; the Company debit the merchants in their books. As an insulated act of voluntary and spontaneous generosity, it may be intelligible on the part of a rich Hong merchant like Howqua; but the Company could hardly venture to do such a thing on their own part as to exact double the amount of all losses.

1372. Have you heard of the Hong merchants doing that to the Americans and private traders?—I have heard of cases in which Hong merchants have refused to make *any* remuneration: it has always been an act of spontaneous good feeling on the part of the Hong merchant that did it.

1373. Are you not aware of instances where that has been done?—I am aware of a great number of instances where it has been *declined*.

1374. Can you state any instance?—I know an instance in which a Hong merchant made it part of his stipulation that he should not be obliged to make good the loss of the tea that was returned.

1375. From such stipulation would you not infer that the contrary practice had been the general rule?—All my information goes to prove, that it has *not* been the general rule; that most of the individuals that have been applied to have refused, and that the generality of the rule has been in the other direction.

1376. On what ground then do you suppose that previous stipulation could have been made?—It was a mode which that individual adopted to save himself from unpleasant applications, which he was determined to refuse.

1377. You have stated you consider the heavy duties on foreign manufactures as a proof that the people are anti-commercial, and wish to check the trade with foreigners?—It is partly a proof of that, and partly a proof of the greediness of the Chinese government.

1378. Can you state the highest rate of duty laid on any manufacture?—I cannot call the highest rate to mind at this moment.

1379. That is one of the reasons why you consider the Chinese government averse to foreign trade?—It is *one* of the reasons.

1380. If you were shown that England lays twice as much duty on foreign manufactures, would you conclude that England is an anti-commercial country?—The fact would go generally, and in the abstract, to sanction the inference.

1381. You have stated that the Company derive great advantage from their superior class of shipping; are you aware of the disadvantage the Company have in regard to the rate of freight?—That is the price which they pay for the advantages.

1382. Are you aware that the Company are paying from 26*l.* to 27*l.* per ton, whilst tea can be imported for 9*l.* or 10*l.* per ton in other ships?—I believe that the average payment for tonnage, on the part of the Company, is not so high as that stated in the question.

1383. Are you aware what the average freight at present is in the Company's regular ships?—I know it has fallen 50 per cent since the war; but I cannot speak to the present amount.

1384. Are you aware what the difference of freight to the Company would be on the 28,000 tons, beyond what any other individuals could bring the tea to England for?—I cannot answer that exactly. If it was deemed advisable, I consider an act of the Legislature might oblige the Company to go into the market for their tonnage like other merchants.

1385. You have stated as another advantage of the Company's large ships, that they are better adapted for the stowage of teas; can you state, of your own knowledge, whether a 500-ton ship, carrying tea to Canada, or bringing tea to England, has brought the tea in a worse condition than that which is brought in the larger ships?—The standard of teas that we send to the North American colonies is inferior to the standard imported into Great Britain. I can speak to the fact of one ship, the Barkworth, having delivered her cargo in a most deplorable condition, and entailing most serious loss.

1386. Can you state the circumstances of that case?—It arose from her general condition as a ship. I believe that in most cases the cargoes are turned out in a worse condition from ships of that description than from the Company's regular ships.

1387. You

1387. You know that a small ship does not carry so much in proportion as a large ship?—I am aware of that from personal knowledge.

1388. Since you have been at Canton, have not the country traders had some very large ships, of 1,000 or 1,200 tons?—Not of that last capacity. I have heard of their having a few large ships lately: but the American ton is less than ours.

1389. Are you aware that practically, as their old ships wear out in India, they are gradually introducing a smaller class of ships, more approaching the American ships, for the whole of the country trade?—I am not aware of that.

1390. Are you aware that the ships that now visit China from India are smaller than they used to be?—I am not aware of that.

1391. Besides the tea which comes from the two provinces which chiefly supply Canton, is there not also tea grown in many other parts of the empire?—I believe it is a product which is dependent very much on soil and climate, and that for that reason it is principally confined to the provinces which have been mentioned.

1392. When you tasted the tea at Pekin, did that appear to you to be of the same kind as the tea brought to Canton?—It was generally rather different.

1393. Do you apprehend that it came from the same provinces?—I have understood that tea is grown in one of the north-western provinces, towards the great wall.

1394. But in no other part of the empire to any great extent?—Not to any great extent.

1395. Not even for home consumption?—To a certain extent; there is a coarse tea grown for the use of the population throughout the empire.

1396. Have you ever had specimens of those teas brought down to Canton?—Yes; I have seen specimens, which I was informed were of that coarse description, and which were of a very inferior character.

1397. You stated that you thought that the tea you tasted at Pekin was different from what you got at Canton; did it appear to you to be of a higher and finer flavour, or otherwise?—It did not suit our taste; we thought it generally inferior.

1398. Did you understand what district that came from?—It is 13 years ago; and if I inquired I have forgotten it.

1399. What do you apprehend to be about the annual consumption of a Chinese family of six persons in tea?—It is an extremely small quantity, on account of the economizing way in which they use it; not nearly so much as is consumed by a middling family in England, because we use it in a more prodigal manner.

1400. Do you apprehend that the population of every part of the empire use tea?—I believe almost universally.

1401. Do you apprehend that the produce of the two provinces which you have mentioned is circulated to every part of the empire?—I should think not, on account of the high duties on transit.

1402. Then a very large part of the population are supplied through the growth of their own neighbourhood?—Of the lower population, of those who cannot afford to pay such a price as arises from distant carriage.

1403. Are the finer teas circulated from the provinces where they are grown to the distant parts of the empire?—I have no doubt that any portion of the population that can *afford* to pay for the best tea, *will* pay for the best, wherever it comes from.

1404. Could you learn whether there was any considerable internal trade in tea carried on?—The mere trade in the transportation of tea, that we give rise to, is very considerable; but I cannot speak very certainly with regard to internal matters connected with China.

1405. You state that you think the tea consumed by the Chinese is proportionably small, from their using the leaves over and over again; do they not use it at all times of the day?—They use it very generally as a drink; they never drink plain water, I believe, if they can help it.

1406. Is not it their habit to be continually drinking it?—They drink a good deal of wine at their convivial meetings, and the tea is only introduced, as it is among us, at the end.

1407. Is it not the habit of those who have leisure to be sipping tea at almost all hours of the day?—It is the general beverage of the country; in fact, water slightly tinged with tea, I should call it. I speak of the common people. It is used at all hours of the day; there is a vessel which stands in the principal apartment of the house, and which is available to all the inmates.

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1408. Do you not apprehend from that, that the consumption of a family must be very considerable, however weak it is, if it is carried on at all times of the day by all the members of it?—I know that the quantity they use is extremely small. Their figurative expression for 'poverty' is 'weak tea and insipid rice,' which means, that they have nothing to add to their rice, and that they cannot afford to drink their tea strong.

1409. Do you know what the success of the tea plant of the Brazils has been?—An utter failure, I have understood.

1410. In the passage of the embassy from Pekin to Canton, do you consider that it passed through all the principal tea countries?—We did not pass through Fokien or Tchekiang.

1411. In those provinces was the culture of tea very universal?—It was extremely partial where we passed; so much so, that it was rather an event in the embassy to come across a tea plantation. The provinces through which we passed are less devoted to the growth of tea than those provinces, Fokein and Tchekiang, through which we did not pass.

1412. Could any trader in the country, in your opinion, obtain tea upon better terms than the Company?—Certainly not; it arises from the pre-election or first choice which the large capital and regular trade of the Company has always hitherto secured them.

1413. You have spoken of the anti-commercial spirit which exists in China; is that the spirit of the government, or of the people?—It is the spirit of the government, founded upon those books which are the basis of their political institutions.

1414. It has been stated to the Committee that the losses sustained by fire by American merchants at Canton have been made up to the persons suffering; do you know in what manner they were made good, or out of what fund?—If they were made good at all, it was in a very few partial and individual instances, of which I never heard, and at the expense of the Consoo. I believe that the whole benevolence of the Chinese government on the occasion evaporated in a few pompous sentences; and I know of many persons who sustained severe loss without any relief.

1415. Could any European nation, in your opinion, export tea from Canton to Europe at a lower rate of freight than is paid by the East India Company, or on lower terms generally?—I believe the evidence has gone to show that. I am not aware of the freight paid by the Dutch; but I believe the superior class of shipping employed by the Company entails on them a higher rate of freight.

1416. Are you of opinion that the East India Company could obtain teas at a cheaper rate, if they paid for them in dollars instead of woollens and other British manufactures, and be thereby enabled to afford a supply of teas in England at a cheaper rate?—Certainly; the Chinese would sell tea cheaper for dollars to us, for the same reason that they do to Americans.

1417. Have the East India Company imported any furs into China?—Yes, they have.

1418. To what extent?—To a considerable extent, in some seasons.

1419. Have the Americans imported furs?—They have also imported furs.

1420. To a large extent?—To a considerable extent, which will appear in the Report on the table of the Committee.

1421. Is it generally supposed at Canton that the tea deteriorates very much in keeping?—I have heard some Chinese say that it is *better* for keeping, if properly stopped up.

1422. Is there any difference in price between fresh and old teas?—The Company pay less for the old teas that they purchase than for the new. I cannot speak so certainly as to Americans. The Company pay less, for this reason, that they are the teas which were rejected as not of contract quality, and therefore, being taken as inferior teas, of course a less price is paid for them.

1423. Is there any considerable quantity of ginseng imported by the Company to Canton?—It is exclusively the produce of some districts in North America, and introduced by the Americans, but held by the Chinese at a very low estimation, compared with what they themselves procure in Tartary, and which is a monopoly of the Emperor.

1424. Is there any ginseng grown in any of the territories belonging to the Company?—I am not aware of it; it is a wild plant.

1425. You stated it as an advantage belonging to the large ships employed by the Company, that none of them have been lost; and you stated that the risk of insurance

insurance was as nothing to 400; are you aware whether any of the large ships have been lost by shipwreck and fire during the last 10 years?—I confined my assertion to homeward-bound ships.

1426. Do you know any instance where an American ship homeward-bound was lost during that time?—Not to my knowledge.

1427. You have stated that the Company's ships are independent almost of convoy in time of war; did you ever know a fleet leave Canton without a convoy in time of war?—My assertion was given comparatively; that if they had been a different class of shipping, they would have required a *larger* convoy.

1428. Are you aware whether it was known at the time Commodore Dance left Canton that war had been declared, or not?—I have heard there was a small frigate with them; but it occurred before I entered the service.

1429. Are you aware that there was an officer of the navy on board Commodore Dance's ship at the time that action took place, and that he was supposed to have contributed so much to the defence that the India Company made him a present of 500*l.* and a sword?—He could not have contributed to it by supplying the guns and the men with which the ships were provided; he might have contributed merely by his advice, in directing those capabilities which the ships already possessed; but I am not aware as to the fact referred to.

1430. Are you aware what number of hands navigate a Company's ship for every 100 tons, and what number navigate, in ordinary circumstances, a ship of 400 or 500 tons?—I believe it is in some general proportion of 10 men to every 100 tons; and I have heard that assumed generally as the proportion in all shipping.

1431. Are you aware that four men to 100 tons is the average complement for the American ships and the ships in the private trade?—I am not aware of that.

1432. You stated in your former evidence that the tea plant took two or three years to produce, and that in the mean time tea would be very scarce?—I stated that the circumstance of the tea plant requiring a certain time to come to maturity, was a circumstance which made it highly desirable that the annual demand for teas should be generally pretty uniform.

1433. Can you inform the Committee whether the practice of taking off buds and leaves from the plant brings on a premature destruction of the plant?—I am not aware of that. It is done probably at times and seasons which are calculated to obviate such an effect.

1434. You were understood to state, that in consequence of the tea plant taking a certain number of years to produce, it required a peculiar sort of demand, and that the supply would not be produced unless the regular demand were continued?—I meant to state to this effect, that tea is a product which could not be grown in exact accordance to a fluctuating annual demand, because it cannot be produced like a crop of wheat, for instance; and that, therefore, in order to keep up the average quality of the produce, it was desirable that the demand should be as little fluctuating from year to year as possible.

1435. Are you aware that coffee and pepper, which take three or four years to produce, have come down in price under the varying demand which has taken place?—I know nothing about the produce of these articles.

1436. You have stated that the last consignment of woollens is expected to yield a profit; is that the consignment of the year 1827–1828, or 1828–1829?—It is the consignment of the year 1828–1829.

1437. To what circumstance do you consider it owing that this consignment will yield a profit, whereas for the last few years you have represented the woollen trade as a losing concern?—It will arise from the very great fall in the invoice cost.

1438. Has there been any rise of price or any increased demand in China for woollens?—None to my knowledge; rather the reverse.

1439. At what period do you consider that the woollen trade began to be a losing concern to the Company?—It was in some measure since the American competition.

1440. It appears by the papers laid before the House, that in 1809, and up to 1813 and 1814, the export of woollens amounted to 260,000 pieces; that in the year 1815, they had fallen to 161,000 pieces; and that in 1827, they amounted only to 123,000 pieces; will you explain what you consider to have been the cause of that decline?—The Company before endured a greater loss, and a loss which they did not feel justified in continuing to endure.

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1441. Do you imagine that when the Americans entered into the woollen trade, and, as you say, drove the Company from the trade by their competition, that they sustained a loss?—I understand that they made use of the woollens merely as a remittance from Liverpool; that *direct* from America they preferred taking *dollars*. I have understood, that from the circumstance of the American ports being to the leeward of the trade wind, a ship is as long going direct from America, as by touching first at Liverpool; and accordingly they found it convenient, being at Liverpool, to take woollens (though they might lose by them to a certain extent) as a remittance.

1442. Do you conceive that the Americans did lose by the export of woollens to China?—I have heard that they have lost on particular articles of woollens. I believe the American importation of woollens into Canton has never reached *one fourth* of the Company's importation. I was asked in my last evidence whether, if it could be proved that the Americans made 20 or 30 per cent on some articles of importation on which the Company lost, it did not go to show that they had some superior mode of introducing the goods: now, I believe, that they have not generally made any such profits; and I should say, that it is contradicted by the fact of their not having increased their importations. If they had made 20 or 30 per cent, they would have increased their importations; and I infer, from their not having increased them, that those large profits were made only in a very few individual instances, and that where they *were* made, it was by evading the port charges.

1443. Did you never hear that the losses on the American trade were confined almost entirely to the return voyages to America?—Yes; because the proportion of specie which the Americans have introduced at Canton has been overwhelming when compared with the amount of their woollen importations; in the proportion of five or six to one.

1444. The question refers to the trade carried on by Americans from Liverpool to Canton, and back to America; did you never hear that the losses incurred upon those voyages fell almost entirely upon the return cargo?—I cannot speak to that.

1445. Can you state the amount of the Company's investment in woollens, which you say is now profitable?—The returns show it to be about 800,000*l.*

1446. Do you consider that at the present prices of woollens in England, the importation of woollens into China is likely to be profitable?—I understand that the last importation of the Company will yield a profit *upon the whole*, in consequence of the invoice price being lower in England.

1447. Are you aware whether there has been, recently, any increased demand in China for cotton yarns?—I am not aware of it. My experience goes to prove the importation of cotton yarn to have been unsuccessful; but I have not been in China since the latter end of 1828.

1448. Have you seen an article in the Canton Register of the 3d Dec. 1828, stating that there has been a great rise in the demand for cotton yarns, and particularly from a new quarter, from the northern provinces of China?—I do not remember having seen that.

1449. Should you consider that the Canton Register is authority upon these commercial subjects?—To a certain extent it is.

1450. Is it as good an authority as price currents generally are?—Possibly it may be.

1451. You stated that one of the great objections to the consumption of woollen goods in China was, the distance and the expense of transit?—Their being suited to the consumption of the northern provinces, to which we have no access.

1452. Can you state the mode in which the woollens of Saxony are introduced into China?—I have heard of some small quantity of *British* woollens being imported through Russia, but I am not sure of it.

1453. Have you heard that a large quantity of Saxony woollens are imported through Russia?—No, I am not aware of that.

1454. If that should prove to be the fact, is not the transit by that mode infinitely more expensive, and longer in point of duration, than any internal transporting which can interfere, on the ground of expense, with the consumption of British woollens imported into Canton?—The demand must be greater in the cold provinces for such commodities.

1455. Taking the place of consumption to be the northern and the colder provinces of the empire, is not the transport from Russia over land infinitely more expensive and more distant than the mode of communication which we have by Canton?—

Canton?—No; I am not aware of there being those heavy transit duties levied in that direction that are levied through the provinces of China.

1456. Do you conceive that the transit duty from Canton to the northern proviners would be sufficient to counterbalance the whole waste of time, and the expense of land-carriage across the continent of Asia?—I think it possible; but the whole question is speculative, and cannot easily be brought to a calculation.

1457. There is a letter of the supercargos' referred to in the Report of the Committee in 1821, in which they state that the American trade in woollens was interfering very much with the Company's trade. Has it of late years interfered much?—I believe that they have interfered more or less; but the American trade in woollens has not increased lately.

1458. Do you believe it has made the trade of the Company more losing?—It entailed a fall in the price of our woollens, and its depressing effect must have continued.

1459. You state that the quantity of woollens imported by Americans has not increased: have you any knowledge on that subject?—My knowledge is partly derived from the printed report, and from the latest return of the trade at Canton, which makes the whole exports and the whole imports, each of them, only about 6,500,000 dollars.

1460. You took your information, then, from the papers which have been laid before Parliament?—And from papers which I obtained from the India House—the latest return from Canton.

1461. Do you know the quantity of hardware imported into Canton by the Company?—They made an attempt, some years ago, to introduce cutlery and hardware; but the articles were unsuited to Chinese use: they did not know what to do with them.

1462. With respect to iron, cast and wrought, is there much importation of that into China?—We send about 1,800 tons of iron per annum.

1463. Is that a profitable investment?—Yes; it generally yields a small profit: there is a duty charged by the Chinese of about 5*s.* 10*d.* a cwt. on iron.

1464. Is there any demand for quicksilver?—A very limited demand. I believe it is partly introduced by the officers of the Company's ships.

1465. Did not the Austrians endeavour to establish a trade with China?—I have not seen an Austrian ship there, I believe, since my residence in the country.

1466. In your former examination you stated that the country trade had derived very important advantage and assistance from the Company's Factory, inasmuch as when there was an attack made by the Chinese upon the privileges and trade of foreigners generally, in the year 1814, the Company then made a stand, by which they gained advantages which necessarily extended to the country trade; are not you aware that the merchants of India, on that occasion, remonstrated with the East India Company, and claimed indemnity for the heavy losses which they had sustained by the interference of the select committee with their trade upon that occasion?—The Company lost too; but they considered that the objects which they were contending for were more than a counterbalance for the temporary inconvenience. I am aware that the country ships suffered by the detention; and I am aware, also, that the Bombay merchants applied to the Government in England for redress, and that their application was rejected.

1467. Do the Americans who trade to Canton carry on a large share of their business with the outside merchants?—They do, a considerable portion.

1468. Do they do more than the private merchants trading from the continent of India?—I believe they do; for this reason, that their trade is directed to articles of commerce which are better suited to the outside dealers, such as silk piece-goods, which are very much a trade of detail, as to patterns, &c.

1469. Are there among the outside dealers men of capital, character and credit?—They are so little to be trusted, that I know numbers of individuals who have suffered most severely by their transactions with them.

1470. Supposing an outside merchant is indebted either to an American or an English merchant, could he get redress by any judicial proceeding against any outside merchant who has thus become his debtor?—The Chinese government warn all foreigners to beware of dealing with those men, because it will not guarantee their losses. This appears from the proclamation already read.

1471. Would they acknowledge a suit or an application made to the Chinese government to enforce payment against an outside merchant?—They would expressly disavow it, and deny all remedy, stating, at the same time, that the foreigner must bear the consequences of his own dealings.

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1472. Would not the Chinese government consider the Hong merchants who secured the ship as responsible for the loss?—I do not know what they might do at present; but during the whole of my residence in the country it has been very much the other way. The government certainly would not give security to any transactions with the outside people. The Hong merchants are security for the *duties*, but not for the *debts* of the outside dealers.

William Cartwright, Esq. called in; and Examined.

W. Cartwright, Esq.

1473. HAVE you resided at Buenos Ayres as a merchant?—I have, for nearly 11 years.

1474. Are you acquainted generally with the trade of the southern states of America?—I am.

1475. Is there any trade carried on from those states direct to China?—Yes.

1476. In what does the trade consist?—It consists in taking out specie from those states, and bringing back the produce of China, consisting of a variety of articles, tea, nankeens, silks, satins, furniture of various sorts, fans, and a variety of fancy articles.

1477. In what bottoms is this trade carried on?—Almost universally in American bottoms.

1478. Has it been a profitable trade?—I have understood so.

1479. When did the trade commence?—It has only been carried on occasionally as opportunities have offered; perhaps not during the whole of the time that I resided there, but I know it was carried on from Buenos Ayres in the years 1822, 1823, and I believe 1824.

1480. It is generally a circuitous trade, that is, a trade beginning in the United States with a cargo to some of the ports in South America, and from those ports to China?—No; the trade has usually commenced at Buenos Ayres by American vessels being chartered in Buenos Ayres, from thence they proceeded to the west coast, (generally Valparaiso and Lima,) where they had to take in dollars, (dollars being there more abundant than they are in Buenos Ayres,) and from thence across the Pacific to Canton, and returning by the Cape of Good Hope to Buenos Ayres. There is likewise, I believe, a trade between the west coast direct to Canton carried on under the American flag.

1481. Is there any trade carried on from the north-west coast under the American flag?—I have understood there was in skins and furs.

1482. Is there any considerable consumption of tea in those new states?—The consumption of tea has materially increased of late years in those countries, in consequence of the tea which has been usually consumed there by the natives of those countries being from Paraguay, and their not being able to procure it now in sufficient quantity. Some political disputes having arisen between the government of Paraguay and the other states of South America, they have not been able to receive their usual supply of that article, in consequence of which the consumption of China tea there has increased, aud is likely to increase still further, in my opinion.

1483. Is the Committee to understand that the supply of tea for the consumption of those states was derived from the province of Paraguay before the interruption of the intercourse?—Yes; the natives of those countries have usually consumed the tea of Paraguay.

1484. Is that the same plant as the tea of China?—No, quite a different plant.

1485. Is the tea of China preferred to the tea of Paraguay, or is it of necessity that they have recourse to this substitute?—I should think more from necessity than choice; but having acquired of late years a habit of drinking the China tea, I think the people have become latterly more fond of it than they were before; and from that circumstance I infer, that even if the prohibition were taken off the Paraguay tea, there would still be a considerable consumption of China tea, from their having acquired a habit of drinking it now for some years.

1486. Is the consumption of silk goods from China considerable?—It is.

1487. Is the Paraguay tea known in Chili and Peru as well as in Buenos Ayres?—It is.

1488. Is the tea of China now equally substituted there?—I imagine it is; I have not been in those countries, but we have had commercial establishments there,

there, and I have understood that the consumption of China tea throughout all those countries is increasing.

1489. From your commercial experience and knowledge, do you think that as those states become settled and prosperous, there will be a considerable trade between them and China?—I think there will.

1490. What is the voyage from Valparaiso to Canton?—I should suppose the voyage may be considered from two to three months across the Pacific—two months perhaps. I know that vessels have gone that voyage from Buenos Ayres round to Chili and Lima, and to Canton, and return to Buenos Ayres within the twelve months, making the voyage round the world.

1491. Then the trade, in your opinion, to whatever extent it may be carried on, will be principally an export trade from China, and in all the articles that those countries may want in that part of the world?—Yes. I should wish to observe, that at the present time the great consumption of goods from China does not consist in tea, but in silks, satins, and a variety of articles manufactured in that country; but that tea is an article of consumption that is likely to increase.

1492. Were you interested in any of the adventures to which you have referred?—I was in one instance.

1493. Were these adventures profitable?—I have understood they were, and that they would have been more so, but very high freights were paid.

1494. In what years were the freights so high?—The year that I allude to was that of 1822.

1495. What circumstances occasioned the freight being so high?—A very few of the American vessels that come out to that country have instructions from their owners to take charters for China, and of course the number of vessels that offer for that trade is very few.

1496. Do you recollect what the rate of freight was?—It was as high, I believe, as from 20 *l.* to 22 *l.* a ton register for the voyage out and home, going round by Valparaiso and Lima.

1497. Is copper an article of export from the southern states of America to China?—It is exported from Chili; and I believes it finds its way to China.

1498. Cannot those states be supplied with all articles that they may require of China produce or manufacture cheaper from China than from any other part of the world, on account of their local situation?—I think they may; those articles costing less in China than they do in other parts of the world.

1499. Would they not come cheaper in a direct voyage from China to those states than by any other course?—Decidedly.

1500. Do you suppose that British ships would have been employed in this trade if it had been lawful for them to engage in it?—I have no doubt of it; inasmuch as the trade has been chiefly carried on on British account and with British capital.

1501. Do you apprehend there is a risk of this trade getting into American channels, so far as the shipping is concerned, in consequence of the impossibility of British bottoms being employed in it?—Certainly; that has hitherto been, and I have no doubt will continue so, as long as British ships are prohibited. Those persons who carry on the trade will, in such case, have recourse to American or foreign vessels.

1502. Have you ever known any furs collected on the south-west of America by British merchants, which have been brought to this country, to be sent from this country to China?—No such trade has ever come under my experience, though I think it a very likely one to have been carried on.

1503. Is there any tea brought from Paraguay to the states you have mentioned?—It is not altogether interrupted; occasionally licenses are obtained from the director of that country; they bring this article down the river to Buenos Ayres; but it happens rarely, and the price is very high.

1504. Do you consider that the increase which has taken place in the consumption of tea is entirely in China tea?—At present it is.

1505. How many adventures had you to China?—I had only one.

1506. In what year?—In the year 1822, to the best of my recollection.

1507. Then you did not think it desirable to embark in any other adventure of that kind?—I left the country a few years afterwards, and no other eligible opportunity had occurred to embark in a similar adventure, or in all probability I should.

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1508. But you have been 11 years there, and that was the only adventure you did embark in?—The only one.

1509. Was it profitable?—It was not a very profitable one, in consequence of the very high freight that was paid; still it left a very fair profit.

1510. What do you call a fair profit?—I think, if I recollect right, the profit was from 10 to 15 per cent upon the capital invested.

1511. What was the extent of the adventure?—It was a joint adventure amongst a great number of British merchants there; and I think the amount invested was from 100,000 to 150,000 dollars.

1512. You have stated that there was very little tea in the return cargo?—Yes.

1513. Were the other articles chiefly furniture and satins?—If necessary, I can state the exact amount, or nearly so, of the different articles that came back in the vessel that I allude to.

1514. When did you leave Buenos Ayres?—In the year 1826.

1515. Then you did not embark in any adventure after that?—I did not.

1516. Nor before?—Nor before.

1517. Did you know of any other adventure to China?—Yes, there were three or four in that very year, and the subsequent one.

1518. Have there been any since that time at all?—I think there have been others, but I am not certain.

1519. Can you state any?—No; I know that several vessels sailed after the one in which I was concerned in 1822.

1520. Can you tell how lately any vessels sailed?—I cannot.

1521. Have there been any for these last four years?—I cannot tell, indeed; but I can say, that subsequently to the time at which I was engaged in it, other vessels were sent on the same voyage, but which I did not embark in.

1522. In 1826 you left Buenos Ayres, and you know nothing of the trade since that time?—Except from constant intercourse, having a commercial house there still.

1523. Can you inform the Committee how many ships sailed from Buenos Ayres to China during the 11 years you were resident there?—I cannot. In the year 1822, and I believe the subsequent year, I know of four vessels having gone.

1524. Did you know of any vessels going before 1822?—Certainly; but I was not interested in any of them, and did not take any particular account of them.

1525. Do you know how many went from Valparaiso, or from Lima?—No.

1526. Then your evidence only relates to the trade between Buenos Ayres and China?—It only relates to the trade between Buenos Ayres and China, except that from my intercourse with the other countries, (having commercial houses both in Valparaiso and Lima,) I am so far acquainted with the trade of those places, and I know that there is an increasing consumption of China produce in the whole of those countries.

1527. Have you any objections to state why, if you found those adventures profitable, you engaged in no others?—It was not at all in our way of business to enter into adventures of that kind; our commercial pursuits are of a different nature.

1528. Are you engaged in trade now?—Yes.

1529. Where do you reside?—In Liverpool.

1530. Would not the produce of Buenos Ayres, for instance hides and tallow, become a profitable investment to China?—I am not aware that it has ever been tried.

1531. Can you state at what rate of freight you could get a British ship to go from Buenos Ayres to China and back again, if it were a legal voyage?—I can only state, that the produce of that country was shipping in British vessels on the voyage to England at the rate of about 4 *l.* to 5 *l.* a ton, and the outward freight might be estimated at perhaps 2 *l.* 10 *s.* to 3 *l.* a ton; and the outward and homeward voyage together would take about nine or ten months.

1532. And the voyage you have mentioned was done within the twelve months, for which 20 *l.* to 22 *l.* per ton was paid?—That was, I believe, the general rate of freight; but I cannot recollect at what rate the vessel was chartered in which I was interested.

1533. Do you recollect the size of the ship that was chartered?—I think she was a vessel from 350 to 400 tons.

1534. Have you exported any Paraguay tea to Buenos Ayres?—Never.

1535. Do

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1535. Do you know the price at which it was sold per pound at Buenos Ayres?—When the article was plentiful at Buenos Ayres, it generally sold (to reduce it to sterling) from 7 *d.* to 9 *d.* a pound.

1536. Was it drunk by the merchants at all, or only by the lower classes?—Not much by the Europeans, but generally by all classes of the natives of the country, as well as by the Spaniards who have long resided there.

1537. How is that price as compared with the price of China tea?—I cannot state the exact price, but I think the black tea was usually sold in Buenos Ayres from 2 *s.* to 2 *s.* 6 *d.* per pound, and the green tea from 3 *s.* to 3 *s.* 6 *d.* or 4 *s.*

1538. What is the duty?—The duty was then 20 per cent ad valorem.

1539. Did any of those ships trade with the eastern Archipelago?—None that I am aware of.

1540. Can you state whether that has been a profitable trade since 1822 or not?—I have no means of answering that question.

1541 Have you no means of stating, up to the time you left the country in 1826?—The only means I have of judging is from persons having pursued the trade after the period I have mentioned. I should suppose if it had not been profitable I would have been abandoned.

1542. You stated that the rate of freight was from 20 *l* to 22 *l.* a ton, did the freighter pay the port charges at Canton, or the owner of the ship?—The owner of the ship.

1543. Do you consider the tea imported to Buenos Ayres from China to be as good as the tea consumed in this country?—Quite as good.

1544. Do the vessels which go to Valparaiso and Canton stop at the Phillippine Islands?—I think not. I have heard of their calling on their way at the Sandwich Islands.

1545. What do you suppose could have been the freight from Buenos Ayres to Canton and back, supposing the freighter to have paid the port charges at Canton?—I cannot precisely state what a British vessel might have been procured at for that voyage; and I am not acquainted exactly with the amount of port charges at Canton.

1546. What do you suppose would be the rate of freight for a British ship, according to the present general rate of freight for a voyage from Buenos Ayres to Canton and back, supposing the freighter paid the port charges?—I should think that a vessel for that voyage might at the present time be chartered at the rate of from 8 *l* to 10 *l.* per ton register for the round, and perhaps less.

1547. You are a considerable ship-owner?—I am interested in several.

1548. Is there much difference between the rate of freight now and what it was in 1822?—Judging from the freights we obtain from South America there is little difference.

1549. Do you think the 8 *l.* a ton would remunerate the ship-owner?—I am not prepared to say that; I think that vessels might be engaged at about that rate.

1550. Do you consider that 8 *l.* to 10 *l.* would be a fair rate at the present time?—Yes, according to the current rates to other parts.

1551. Do you know whether any other country, except the Americans, are engaged in the trade from the Pacific to China?—Several of the natives of Buenos Ayres are engaged in that trade.

1552. Do you know whether any other bottoms are engaged in it; the Dutch, for instance?—I do not know; I dare say there may be Dutch vessels engaged in that trade.

Martis, 2° die Martii, 1830.

Captain *Abel Coffin*, called in; and Examined.

Captain *Abel Coffin*.

2 March 1830.

1553. YOU are a citizen of the United States?—I am.

1554, In what part of the United States?—Newbury Port, a town of Massachusett's.

1555. Have you commanded a ship in the China trade?—I have, three voyages.

1556. From what port did you sail?—Boston.

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1557. In what years did you perform those voyages?—1822, 1823 and 1824.

1558. What cargoes did you take to China?—Specie, and some trifling cargoes of casks of furs, but nothing on account of the owners, except specie.

1559. What quantity of bullion did you take out?—In 1822 I had 172,000 Spanish dollars; in the year 1823, I had 200,000; and in 1824, 165,000 dollars. At the time I had the 200,000 dollars it was not to be all invested in my ship; between 30,000 and 40,000 was to pay a debt that the owner had contracted on a previous voyage.

1560. What cargoes did you bring from Canton?—Teas, or manufactured goods, silk goods, cassia, and nankeen.

1561. Were the teas black and green?—An assorted cargo; about two thirds were black.

1562. Do the Americans experience any difficulty in carrying on the Chinese trade?—None that I have known.

1563. Did you ever experience any yourself?—Not any.

1564. Had you any supercargo?—The first voyage I had one; the two last I had neither supercargo nor clerk.

1565. What was the name of the ship?—The Liverpool Packet.

1566. And what was its burthen?—397 tons, American tonnage.

1567. Is that different from the British?—There is some trifling difference, but very little; I think it would differ about five or six tons from English tonnage in a ship of that size.

1568. Is it larger or smaller than the British?—I think it is smaller than the British.

1569. Will you have the goodness to give the Committee an account of the way in which you proceeded in conducting your transactions at Canton?—Onthe arrival of the ship at Whampoa, the factor generally proceeds to Canton, there he calls upon the Hong merchants, or frequently the Hong merchants send their pursers to wait upon him on his arrival.

1570. Do they send down to the ship?—Not down to the ship, but to his place of business; he will then make an arrangement with one of the Hong merchants to secure his ship; and generally we agree to trade with that Hong merchant, admitting that he will trade with us on as good terms as we can trade with any other merchants in general: but we buy one-third or one-half of our cargo of him, and sometimes the whole.

1571. But you do not give more for teas you purchase of him than you give to others?—Not in any way; we give him no further advantage than a preference of trade, if we can trade equally well with him.

1572. Do you give him any fee or douceur to become the security for the ship?—Not any.

1573. Are there considerable facilities in the port of Canton for transacting business?—There are more so than in any port I have ever been in India.

1574. Can you give the Committee any instance to prove that facility at the time you arrived there?—I arrived at Whampoa on one voyage, when I was both master and supercargo of the ship, and I laid at Whampoa then fifteen days, and loaded there, and sailed in that time.

1575. Did you trade from China to America, and from America to Europe?—From America to China, from China to America, and from America to Amsterdam.

1576. Can you give the Committee an account of any voyage you have performed?—I have here an extract of an American newspaper, giving an account of one of my voyages; it is headed "Dispatch.—The ship Liverpool Packet, Captain Coffin, sailed from Boston on the 21st of July 1824, for Canton, arrived there, changed her cargo and returned to Boston in eight months and twenty-nine days; afterwards sailed for Amsterdam, and performed the voyage there and back to Boston in seventy days, changing cargo: thus having completed two long and important voyages in eleven months and sixteen days."

1577. Is that an accurate account of the voyage you performed?—It is one day longer than the voyage was; I was eight months and twenty-eight days, instead of twenty-nine days; that is the whole time from the time I left Boston to the time I returned to Boston again.

1578. Did you unload entirely at Boston, or only in part?—I merely discharged my silk goods and some teas that answered for the Boston market, and brought on the remainder to Amsterdam.

1579. Did

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1579. Did you load at Amsterdam?—I returned in ballast.

1580. Have you had any dealings with the outside merchants?—I have; I have generally bought the greater part of my silk goods, and frequently considerable quantities of tea to complete my cargo, of the outside merchants; generally an outside merchant has some Hong merchant as his friend; goods are obliged to be shipped through one of the Hong merchants. They are bought of the outside merchant, and the probability is, that the outside merchant pays the Hong merchant some trifling compensation for shipping his goods.

1581. Do you find any difficulty in dealing with the outside merchants?—I never have myself; but I have heard others say there is not that security in trading with them. You are more liable to be imposed upon; which is not the case with the Hong merchants.

1582. What security have you of there being no imposition on the part of the Hong merchants?—Only their own.

1583. Can you mention any instance?—On one voyage I had five chests of tea, which proved to be filled up with sawdust and brickdust. It was the time of the great fire at Canton, and it was some of the old remains of the fire; they weighed about equal weight with a chest of tea. When I went back I took it back, and took it to the Hong merchant, Puankhequa; and, after sending his purser to see that it was his mark, he immediately, without saying anything further, sent me 10 chests. He gave me to understand, that it was not intentional on his part. I have no doubt that it was done on board the chop-boats. The people I purchased my goods of are accountable for the goods till they get alongside the ship. We buy the goods deliverable on board.

1584. What is the amount of a chop of tea?—Of black tea, generally about 400 to 600 chests. It is a quantity of tea grown on one piece of ground by one man; and of black teas it generally consists, sometimes it exceeds, 600 chests, and the green about 400 chests.

1585. Was the tea returned to you by Puankhequa of as good a quality as that which he had engaged to deliver before?—It was.

1586. Do you generally find that you can trust as much to the Hong merchants in their dealings with you as you can to merchants residing in other parts of the world?—I should think we might, full as much.

1587. Can you mention the prices that you paid for tea in any given year?—In 1822, the first voyage that I was there, from 22 to 23 tales per pecul were paid for the Souchong. It amounts to the same thing as cents per pound; cents are $\frac{1}{100}$ of Spanish dollars. 22 tales would be about $22\frac{1}{2}$ cents.

1588. What did you pay for the other descriptions of tea?—Bohea was, to the best of my recollection, 12 cents per pound; about 12 tales per pecul. Congo was about 21 to 22. Young Hyson was 36. Hyson was the same price. Hyson-skin was 25.

1589. What do you mean by Young Hyson?—Young Hyson tea I believe is the young leaf off the old Hyson.

1590. Were those all fresh teas?—All fresh teas.

1591. What did you pay for Gunpowder tea and for Imperial tea?—Gunpowder, 50 to 55, and for Imperial, about the same price.

1592. Was the price of green tea higher in the year 1823 than it had been before?—It was.

1593. Had you any difficulty in that year in completing your cargo of green tea?—In 1823 I had, in obtaining as much Young Hyson as I wished.

1594. Could you, in the year 1824, obtain the Young Hyson that you required?—Not all; but it was more plentiful than it had been. I was late in the year 1824, being one of the late ships that went against the monsoon.

1595. What difference in the price did the scarcity of Young Hyson, in the year 1823, make in the article?—It made a difference of between 36 and 42 tales per pecul.

1596. What was the price of the Young Hyson in the year 1824?—In the year 1824 I paid from 45 to 48 for Young Hyson.

1597. Have you ever seen a printed price current at Canton?—I have; but I believe they have been sent out printed from Europe or America in blank; they were filled up at Canton.

1598. Is that a common practice? That is the common practice.

1599. Is there, in your judgment, any difference between the quality of the teas purchased by the East India Company and those purchased by the Americans?

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—I should think there was a difference, from 5 to 10 per cent in favour of the teas purchased hy the East India Company.

1600. Does that apply both to black and green?—To the green teas I think it does not apply. Our green teas are equally as good as those imported by the Company. Souchong and Congo I have myself bought there after it has been marked to go on board Company's ships, and paid a little higher for it.

1601. How did you contrive to get those chests?—The Hong put other printed papers over them.

1602.—Were they intended for the Company's ships?—I believe they were; but the merchants wanting ready money sold them.

1603. Do you remember what you have paid for the tea so purchased?—I think it was 24 tales; that was in the year that I was paying 21 for the teas that we usually take to America.

1604. Do you imagine that was part of the tea for which the Company had contracted?—I have no doubt that it was tea that was to go on board the Company's ships. I believe that the Hong merchant intended it; but wanting some ready money, he got it in this manner.

1605. Was it your general practice to pay ready money for the teas you purchased?—Generally. I have had credit in China when I have not had funds enough to load the ship.

1606. On which voyage was that?—The first and last voyage.

1607. From whom did you have it?—From Chunqua, one of the Hong merchants.

1608. What security did you give him?—I gave him my bill, payable at twelve months, or on my return.

1609. Did you refer to the American Consul there?—No other security than my own.

1610. Where you a perfect stranger to him?—So far a stranger that I had only been acquainted with him on my first voyage there; but he considered from my being in command of the vessel, and having the management of the business, being concerned with the supercargo, that I must be a respectable person, and of course he required no other security; the merchant I sailed for had frequently had large credits.

1611. Then it is not an uncommon practice in Canton to give credit where the money for the payment of the goods is not immediately forthcoming?—No; between thirty and forty thousand dollars which I took out on one voyage was to pay for a previous credit, which the owner had had.

1612. Have you found equal facility in other parts of India?—I never have.

1613. What interest did you pay?—Eight per cent per annum.

1614. At what time do the tea merchants usually arrive at Canton?—From November to December.

1615. Did you ever purchase teas of an old season?—I did.

1616. What is the difference in the price at Canton between the old and the new teas?—About four or five tales.

1617. Is that the case in all descriptions of teas?—In green teas I do not think it is so much; we consider that the black teas injure by keeping.

1618. What difference is there in the American market between the old and new teas?—Perhaps two to three cents per pound.

1619. When you say four tales do you mean in the Bohea tea or in the Congo tea?—In the Congo tea; not so much in the Bohea tea; I never bought any old Bohea.

1620. How were the three cargoes of tea which you bought disposed of?—Part of it was disposed of in America; but the greater part went to Holland.

1621. Can you tell what the teas sold for in Holland?—I think at 21 stivers. The last voyage, not having anything to do with the business myself in Holland, being consigned there, having some shares in the voyage myself, I was furnished with account sales; but to the best of my recollection about 21 stivers for the Dutch pound.

1622. For what description of tea?—For the Congo.

1623. Of the tea you purchased, was part of it from the Hong and part of it from the outside merchants?—It was.

1624. Are you able to state how the teas purchased from those two parties turned out?—I think that the tea was fully as good that I purchased of the outside merchants as that of the Hong; the outside merchant that I purchased it from had been

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been established for many years, though within two years he has died; his name was Yoqua.

1625. What is the difference between the Dutch pound and the English pound?—112$\frac{2}{3}$ English, I think, makes 110 pounds Dutch.

1626. Can you state the price in Holland of any other description of tea besides Congo?—I cannot.

1627. Is there any difference in the duties on American and on national ships in importing teas into Holland?—There is considerable.

1628. Can you state what it is?—I do not know the difference exactly; but I was told by the merchants that the circumstance of mine being an American ship made a difference of something like 28,000 guilders on the whole cargo, that is about 2,200 *l.*

1629. Do the American ships perform their voyages cheaper than Dutch ships?—I think they do; they are more expeditious, and they also sail with fewer men. In the ship that I commanded I had 12 seamen, making altogether 17; and sometimes having a boy, making 18 people, myself included.

1630. What would a Dutch ship of that size have?—Probably 25.

1631. What was the size of the ship?—About 400 tons.

1632. Can you state what was the whole cargo of the ship on which that additional expense was incurred?—The investment in China was about 170,000 dollars.

1633. Would an American ship nominally of 400 tons carry more or less cargo than a Dutch ship of 400 tons?—The Dutch ships are rated by the last; but when I compare them with the American ships I speak of a ship that would bring the same quantity.

1634. Is not there a different mode of measuring the tonnage in American ships from the British?—I believe there is; we take half the breadth of beam for the depth of hold, the length of keel multiplied by the depth, divided by 95.

1635. Do you know the English way?—I do not know exactly the English way of measuring.

1636. Is not the American ton reckoned 40 cubic feet?—It is.

1637. Do you know whether the English is reckoned the same?—I do not know.

1638. Is not a last about two tons?—I believe it is.

1639. You stated that the value of your investment in China was about 170,000 dollars; do you know what its value in Holland was?—I cannot tell exactly.

1640. Did the charges depend on the value of the cargo in the ship, or on the ship itself?—Principally on the cargo.

1641. You have stated that on board your ships you have had 12 seamen, and altogether a crew of about 18 persons, including yourself; is that to be considered the average number of the trade of Boston, at the same time?—Yes, I think the average number of all American ships, the Philadelphia ships excepted; they generally have a few more, owing to having a number of apprentices.

1642. Is any additional risk considered to be run by having so small a number, or what is the rate of insurance upon the American ships in the Chinese trade?—About four per cent upon the whole voyage out and home, insured in America.

1643. Are you generally acquainted with the trade of Boston and Salem?—Yes.

1644. Was that the insurance when you went there, or is it the same now?—That was the insurance when I went, and it is about that now; it does not exceed 4 $\frac{1}{4}$.

1645. You mean upon a voyage to Canton, out and home again?—Yes, not including the risk to Holland.

1646. Can you state the average number of vessels that have been employed in the East India trade for the last seven years from Boston and Salem?—In 1823 there were 42 American ships during that year in Canton; altogether the trade has fallen off considerably; now I think for the last two or three years there have not been so many; there have not been more than half that number.

1647. Can you state, for the last 14 or 15 years, what have been the number of Boston ships lost in the China trade, either in the outward or homeward bound voyage?—I do not remember but one Boston ship being lost, that is between 14 and 15 years. Rapid is the name of the ship; she was commanded by Captain Dawe; she was cast away on New Holland, going an eastern passage.

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1648. Have there been any homeward-bound ships lost?—There was a Philadelphia ship, in March 1824, called the Columbia, lost at the east end of Banca.

1649. Have you not made several voyages to India, as well as to China?—I have, 12 within the last 13 years.

1650. Can you state what has been the average length of these voyages?—About 10 months out and home. The longest passage I ever had to Java, which we take the passage from either to Europe or America, was 96 days; and two years ago I came from Angier, which is the starting-point in Java, in 81 days, with a sugar-loaded ship.

1651. Have those voyages that you speak of all been carried on with the same number of men that you have already mentioned, in proportion to the tonnage?—The same number.

1652. Are the American ships, as compared with the British-built ships, built more for the purpose of speed and use than for that of carrying bulk?—Our modern-built vessels, I think, are all about the same; they carry equally as well as the British vessels; but the ship that I commanded to China was a ship built some years; she would not carry quite so well, but sailed much faster.

1653. What has been the alteration that has taken place in your modern-built ships?—They have made them longer, deeper, and not so wide.

1654. In what mode do you take the measurement of the tonnage of your ships?—From the length; half the breadth of beam is taken for the depth of the hold, multiplied by the length, and divided by 95.

1655. With what object is it that that mode of taking the measurement has been determined upon?—I cannot say.

1656. Is the nominal tonnage of a ship built in one of those modes greater in proportion to its real capacity than that of one built in the other; and will you explain the mode in which the difference is produced?—It is different, owing to the ships being much narrower, having more length, and greater depth in the hold; a vessel of that description, a vessel of 28 feet beam, and 100 feet long, would not carry nearly so much as a vessel of 26 feet beam, and adding greatly to the length and depth, which does not increase the tonnage in the same ratio.

1657. What reason have the Americans for employing smaller ships rather than those larger ships which are generally employed by the East India Company?—I believe they think them more expeditious generally in performing the voyage; and the cargo frequently in America is owned by a merchant, and he prefers having his goods go in his own ship, in preference to having a very large ship, and getting some other person to fill her up.

1658. Is there any tonnage duty paid in America on the registers?—There is; it is small, but I cannot tell the exact amount.

1659. Do not American vessels sail with fewer men than the English vessels do?—I think we do.

1660. What is the proportion between the crew of an American vessel and that of a British vessel?—I should think a British vessel of 400 tons would have five to seven more than an American vessel of 400 tons.

1661. Then, of course, having fewer men, you have more room for cargo than the English or Dutch ships have?—Yes.

1662. Do you accommodate your crew as well as the English vessels do?—I think we do better.

1663. Do you allow them the same space?—I think we do: perhaps the Company's ships have better, because they have the accommodations of men-of-war; but I believe ours are fully as comfortable as the free traders, and I am sure that we feed them much better.

1664. Have not the Company's ships much better accommodation and more room?—They have.

1665. What was your freight out and home?—I had no freight on my own ship; the cargo belonged solely to the owner of the cargo and myself.

1666. What would the freight be?—The last year I was there, I shipped teas at 30 dollars per ton to America from China, in an American ship, allowing 10 quarter boxes to a ton, which measures about 41 feet; but it is customary to take 10 quarter boxes.

1667. Are you of opinion that you can still import teas into Holland, notwithstanding the higher duties now paid in the ports in Holland?—I think we can compete with the Dutch yet.

1668. Do

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1668. Do the Americans now carry on the trade of tea to Holland as much as formerly?—Not so much.

1669. Can you state any reason why they do not?—It is owing to the Company of Dutch merchants, the Dutch Trading Company, sending a number of ships to China.

1670. Have their transactions been attended with loss or gain?—I believe they have been attended with considerable loss.

1671. Do you consider the tea that you get in this country equal to what you get in America?—I do not think it is so strong, the tea that I have been able to get here for my own use.

1672. Does that apply to the green or to the black teas?—To the black teas.

1673. To what do you ascribe this difference?—I should think the tea I generally purchase here, retail, is old tea that has lost a great part of its flavour and strength.

1674. What price have you paid here for good Souchong tea, retail?—Five shillings and sixpence.

1675. What would you pay for similar tea in America?—Two shillings, or 50 cents.

1676. Can you tell how much of that 2 *s.* is duty?—On the black tea, Souchong, it is 25 cents, which is about 12 ½ *d.*; it is in fact 1 *s.* 0 ½ *d.* out of 2 *s.*

1677. Can you state the proportion the duties bear to the price of tea in other descriptions of tea?—The duty on Gunpowder and Imperial is 50 cents; on young Hyson, 40 cents; 40 parts of the Spanish dollar out of 100 parts: on Hyson-skin it is 28; on Congo and all black teas, Bohea excepted, it is 25; on Bohea it is 12.

1678. Can you give the per-centage of the duties in America upon the teas generally?—It is not put upon a per-centage, it is so much per pound.

1679. With reference to the average prices, how much would it be?—The duties are about equal to the cost at Canton.

1680. Is not it 45 per cent in America upon the average?—The price of tea in America varies; but the duty is permanent.

1681. Do you know how many American houses of business there are residing at Canton?—There are seven or eight.

1682. Have they several partners, generally speaking?—There are in some of the houses three or four partners, in others only one person.

1683. Have there been any failures among those houses in your recollection?—There is the house of Thompson, who was the son of Mr. Thompson (I cannot say the house of Thompson in Canton failed) that failed in the United States, owing, I believe, to some smuggling transactions.

1684. Is there any other failure that has occurred within your knowledge?—I know of no American that has failed in Canton.

1685. Are the Boston merchants, trading with China, generally considered very wealthy persons?—They are.

1686. Are you acquainted with Colonel Perkins?—I am.

1687. Is not he one of the principal merchants in Boston?—He is the principal. Theodore Lyman has been one of the greatest traders.

1688. In general, among the wealthy merchants in Boston, are not the wealthiest among those connected with the trade of China?—They are.

1689. Do they continue to have the same reputation for wealth that they used to have?—The Boston merchants do; there have been several of the New York merchants, connected with the China trade, who have failed.

1690. When at Canton, did you understand that the Americans received any protection from the East India Company's Factory?—I never understood that they received any protection.

1691. Supposing that Factory were withdrawn, do you think that the situation of the Americans would be worse or better than it is at present?—I think it would be quite as well: I cannot say that it would be worse or better, but it would make no difference.

1692. Is the American trade popular with the Chinese?—I believe it is.

1693. Is it as much so as that of the East India Company?—I believe that the reason why the Chinese favour the American trade is on account of the great quantity of specie that is brought there; the Company have imported large quantities of goods; I suppose the only preference would be which trade they found most beneficial to themselves.

1694. Do you know anything respecting the British manufactures taken from

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this country by the Americans?—Nothing; I have frequently seen the goods there, but had nothing to do with them.

1695. Do you know whether those goods generally pay duties, or whether they are smuggled into China?—I believe they generally pay duty, except in some cases officers going might smuggle a small investment; but the respectable merchants, I think, would not have anything to do with smuggling.

1696. The respectable merchants, either British or American?—Either.

1697. Were you ever engaged in the fur trade?—Never, otherwise than carrying a few casks on freight.

1698. Do you know whether the animals from which the furs are got have considerably diminished in quantity?—The sea otter has considerably; the land furs perhaps not much.

1699. Do you know of the arrival of any ships in China bringing furs from the north-west coast of America?—The person that owned my ship had a ship which arrived in Canton while I was there with furs.

1700. At the present moment, is a smaller quantity of furs than heretofore brought into the market of Canton?—A smaller quantity of the sea otter; perhaps of the other furs there are as many.

1701. Do you know whether furs, and warm clothing of that description, is in much request in China?—It is. All the Chinese that can afford it generally wear woollens, or camlets lined with furs, in the neighbourhood of Canton.

1702. During the whole year, or a part of the year?—During a part of the year; during the cold season, from March to April.

1703. Is there a good deal of cold at that period?—There is; I have seen it freeze in the Canton river at night.

1704. What is the latitude?—Between 22 and 23 degrees.

1705. Are you aware whether the American ships coming to Canton are occasionally in the habit of running across to the Phillippines and bringing back rice to China?—It is frequently the case.

1706. Do they derive any advantage from it?—They save what is called in China the Cumshaw measurement, which is the ship duty.

1707. What does that mean?—It is a present; it is levied on the ship; it is a tonnage duty.

1708. What is the amount of it?—On my vessel it is averaged from 45 to 4,800 dollars.

1709. In fact, do the Chinese favour the admission of raw produce from other countries?—Of rice in particular.

1710. Is not that part of the port charges which is called the Cumshaw the same for every ship?—I believe it is.

1711. Do you recollect the amount of it: is it 1,900 tales?—It is somewhere not far from that.

1712. Is not that part of the duty calculated according to the distance between the foremost part of the mizenmast and the aftermost part of the foremast?—Between the centre of the mizenmast and the centre of the foremast in length, and the breadth from the middle of the mainmast to the side of the ship half the breadth: a vessel with two masts is measured from the end of the tiller to the foremast.

1713. What is the rate of freight between Boston and Canton?—The usual rate, where a vessel has been taken up, has been heretofore about 40 dollars a ton measurement for the voyage out and home. A ship-owner will carry out specie and take home the goods at 40 dollars a ton measurement; or on nankeens 9 per cent on the ship; on silk goods, 6 ½ per cent.

1714. Does that cover all the charges?—That covers all the charges; because we buy the goods free of expense, deliverable on board.

1715. Does that cover the port charges in Canton?—They are paid by the shipper out of that, except some small charge for Factory hire.

1716. Is the insurance included in that?—The insurance is not included.

1717. What is the rate of commission paid on the purchase of teas?—Two to 2 ½ per cent upon the invoice price.

1718. To whom is it paid?—To the supercargoes or merchants there. Some do the business at 2, and some at 2 ½ per cent.

1719. Do you know what the rate paid by the British there is?—I do not. I have understood that the British merchants residing there did the country business at 5 per cent.

1720. Supposing

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1720. Supposing a ship brings a cargo into Canton, and loads with tea in return, would there be a commission both ways?—There would on the sales and the purchases.

1721. What would be the amount of that commission?—A person having the consignment of goods out and home would probably do it at 4 per cent; but 5 per cent, that is 2 ½ per cent each way, is the highest commission.

1722. Is the commission included in the 40 dollars paid for the freight?—I am not sure whether it is or not, because I never took any freight in my own ship either out or home; but I believe the 40 dollars covers it.

1723. Have you any English seamen in your ship's company at Canton?—I generally have one or two or three amongst the company.

1724. Have you found that they conducted themselves as well as the Americans? I cannot say that I have ever seen any difference.

1725. How soon did you arrive at Canton after the execution of an Italian sailor on board an American ship?—From five to eight months.

1726. Do you know any thing of the nature of the transaction?—I frequently heard it stated, and had it from the supercargo of that ship, meeting him on that voyage down at Angier.

1727. What was the name of the ship?—The Emily, of Baltimore.

1728. Can you state anything of the circumstances of that transaction?—I understood that the woman that was killed or drowned was in a boat under the ship's bows, and something passing between the sailor and the woman, he took an earthen jar and threw it at her, and struck the woman on the side of the head, consequently she fell overboard, and when she was taken up she was dead. At the time it might have been settled for a trifling amount of 100 or 200 dollars, but after getting to the ears of the Mandarins they demanded life for life. It was thought by the Americans there that the sailor did not intend to kill the woman, whether it was done in sport or in anger they could not tell, but they agreed that the man should not be given up; consequently, for some time the American trade was stopped, and the Mandarins persisted in demanding the man.

1729. How long was it stopped?—I cannot tell the exact period, but for some number of days.

1730. Was it ever proved that the man struck the woman?—I believe that it is not doubted; I had it from the supercargo of the ship, that the jug that he threw at her struck the woman; but the matter was never properly investigated.

1731. Supposing a woman to have been killed by an American seaman in the port of London, would not that American seaman have been tried according to the laws of this country?—No doubt of it.

1732. And it is presumed the same would happen in America, and every part of the civilized world?—No doubt.

1733. Do you know whether the man was tortured or not?—I believe he was not; he was very shortly put to death after arriving; they got him by stratagem out of the ship.

1734. It has been stated that the American consul resigned his appointment in consequence of this affair. Do you know whether that was the case or not?—I never heard that that was the case. Mr. Wilcox was consul at the time, and he was consul after I arrived there; but being a man of considerable business there, the consulship was rather a plague to him, as he never took any fees for depositing ship papers, and certifying the landing certificates and invoices shipped from there; but I never heard that he gave up on account of this transaction.

1735. When did he resign his office?—I should think it was full a year afterwards.

1736. Does he reside there now as consul?—He does not; he is now in Philadelphia.

1737. Is there any American consul there now?—I am not sure whether we have one or not.

1738. What are the duties of the American consul?—We are obliged by the American law to deposit our ship papers with him, within 48 hours of our arrival. When goods are carried out that we get a debenture on, he signs the landing certificate; it is sworn to before him by the master of the ship, and by that means we recover the debenture in America; and also when piece-goods are shipped from Canton which pay an *ad valorem* duty, the invoice is sworn to before him, that it is a fair invoice; on manufactured goods, the duty is paid by a per-centage on the cost.

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1739. And that is sworn before the consul at the port of export?—It is.

1740. Does he exercise any control over the American seamen?—Not any.

1741. If any complaint was made against any of the American seamen, by the Chinese authorities, would they apply to the consul?—They would not; they would apply to the security merchant.

1742. Is the consul recognized by the Chinese authorities at all?—I never heard that he was.

1743. Are any of the other consuls recognized?—I believe none of them are recognized by the Chinese authorities.

1744. Does the Chinese government recognize the existence of the Company's Factory?—I believe not; it is like the other trade.

1745. Do you understand that the number of American ships trading to Canton has latterly decreased?—It has.

1746. What is the reason of that?—Owing to the Dutch putting a number of ships in the trade; there have been some of the German ships of late put in under the Austrian flag, from Hamburgh and Bremen; and also owing to the English importing teas into Canada; heretofore I believe Canada was principally supplied with teas from America.

1747. Do you apprehend that the ill success of voyages to Canton has been the cause of any part of that decrease?—I do not think the trade for the last three or four years has been so lucrative as it was heretofore.

1748. Are you not of opinion that, supposing that trade were conducted upon proper principles, and confined within reasonable limits, the trade would be conducted profitably now as it was heretofore?—I do not know why it should not. Since the general peace commercial trade throughout the world has been less lucrative of late years.

1749. Have other branches of trade from the United States decreased in the same proportion as the trade between the United States and China?—The East India trade has decreased to other places fully as much as it has to China and Brazil.

1750. From the United States to Europe and other parts of the world, is the trade less now than it was some years ago?—I think not to Europe; the European and West India trade is carried on as much as ever it was.

1751. And to as much advantage?—I think not.

1752. Taking the trade generally in the United States, is not the profit now realized by the merchants less than it was some years ago?—I should think considerably less.

1753.—Is there considerable competition in carrying on the foreign trade in America?—There is.

1754. Can you state the quantity of tea that used to be furnished by the Americans to Canada?—I cannot state precisely; I should think it was about three or four ships' cargoes of 400 tons.

1755. Was not a great quantity carried in by the smuggling trade?—It was not allowed in any other way.

1756. Therefore it is difficult to estimate the amount of it?—It is.

1757. What port charges did you pay in China?—Including Factory expenses and the ship's expenses, between 7,000 and 8,000 dollars usually on my ship; that is, including the cumshaw, and the piloting, and the victualling of the ship.

1758. You have stated that you were enabled to load and unload and depart from Canton river in 15 days; what was the longest time you have ever employed in doing that?—Three months and a half, one voyage; I arrived there just before the great fire took place.

1759. If that fire had not taken place, how long should you have been?—Probably five or six weeks; the average is about five or six weeks with the Boston ships and the New York ships; but the Philadelphia ships usually stay longer; they generally wait till their silk goods are manufactured; they have a great many shippers, and frequently will send two or three supercargoes. A person putting in 100,000 dollars sends a person to manage the business, and another person sends another; there are a great number of shareholders, and their trade is different, so that there is generally some delay caused by it.

1760. Do the Philadelphia ships export more silk manufactured goods from Canton than the Boston ships?—I they they do.

1761. You stated that the American, China, and India trade has been a losing

trade

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trade for some years; will not the loss of the Canadian trade and the Dutch trade account for that?—I should think it would in a great measure.

1762. Those two branches having been a great outlet for the American trade?—I think so.

1763. Have you traded with Calcutta?—I have.

1764. Can you state what the port charges there would amount to, including all the items you take into your calculation in the port charges at Canton?—It would depend upon the length of time that the vessel laid in Calcutta; I lay off about three months in Calcutta; the port charges altogether with a vessel of about the same size, would be between 5,000 and 6,000 dollars, including factory rent and expenses.

1765. Do you conceive that there is any advantage in carrying on the China trade with large ships of 1,200 tons burden?—I could not say; the Americans began to build some large ships, as large as 900 tons, but they are out of the trade now; whether they found them answer I cannot say; there was one called the Washington of 900 tons, which made two voyages to China, and then she was put out of the trade.

1766. From what port did she sail?—From New York.

1767. Did she engage in any other trade?—She did; the last that I heard of her was in the Liverpool trade, carrying cotton.

1768. What do you consider to be the average size?—From 400 to 600 tons.

1769. From your experience in that trade, should you say that a ship from 400 to 600 tons burden was the best size?—I should think they were as good as any size.

1770. Is the revenue derived by the United States, from the duties on tea, large?—It is considerable; I think about two millions of dollars.

1771. Do you know whether it is one of the largest items of duty?—I believe it is the largest of all our trade.

1772. Is there a drawback upon re-exportation?—There is.

1773. Do you include the amount of the drawback?—No; that is what is actually paid, the net duty.

1774. Is the revenue derived to the United States from tea increasing or not?—I should think it had fallen off since the Canada trade; because the duty on the tea that went into Canada was paid in the United States.

1775. Do you think there is at present any smuggling of tea into Canada from the United States?—I should think there was not much.

1776. Should you say that the revenue derived by the United States from tea is likely to continue increasing or to fall off?—If the same tariff continues I should think it would increase; as the use of tea increases as the number of inhabitants increases.

1777. Do you understand whether there is any difficulty in the collection of the tea revenue in the United States?—I never heard of any difficulty.

1778. Have you ever heard of any smuggling of tea?—I have; one case particularly, by a person of the name of Thompson.

1779. Is the smuggling of tea carried on extensively in the United States?—I believe not.

1780. Are you aware that the duty on Congo tea has been much larger in proportion than the duty on any other tea imported?—It has been larger, taking into consideration the cost of the article.

1781. Has not its consumption in the United States decreased much in consequence of the increased duty?—I cannot say that the consumption has decreased on that account; I think that the consumption of different kinds of Hyson tea has increased; it perhaps may be from the fancy of the people drinking it.

1782. Can you state to what ports of the United States the importation of tea is now open?—To every port where there is a custom-house.

1783. Can you state any circumstances connected with an American ship, freighted by British merchants, from Buenos Ayres to Canton?—I recollect one ship, a ship called the Parnther, Captain Bowers, which was taken up at Buenos Ayres, went to Canton for a voyage; she made two voyages; one year in particular, I lay next to her, and was very intimate with the captain of her: that ship went out from the United States with a cargo of flour and some specie on board, to land her flour at Buenos Ayres, and to proceed on to Canton: there was, I believe, an English merchant and some Spanish house there that wanted to take up a ship to go to Canton, and they found they could not send an English ship there, and consequently they took up this American ship, and paid her a very large charter.

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1784. Do you know what?—I think it was 28,000 dollars for the voyage, and the owners of the ship paid the Factory expenses in Canton.

1785. What was the size of the ship?—Something less than 400 tons.

1786. Were not the freights paid upon that ship particularly high?—They were considered very high.

1787. Do the American ships go to Whampoa?—They do.

1788. Do they invariably go there?—Not invariably; some of the ships stop at Lintin, and put their specie on board of another ship that is going up, and go over to Manilla for rice or some other cargo, and return while the cargo is getting ready.

1789. Is not the course of trade, in such cases, where there are cargoes on board, to make arrangements with the Hong merchants for the purchase of them?—I never heard of it. I believe that the goods have to go up to Whampoa before they can sell them; except the article of opium, which is not allowed.

1790. Is not the practice of the American ships to discharge part of their cargoes before they go to Whampoa?—No.

1791. Do they break bulk?—Generally not.

1792. Are there exceptions?—There are some exceptions.

1793. How does the cargo so discharged find its way into China?—By the agency of the American merchants there.

1794. Not of the Hong merchants?—I think not.

1795. Are not you aware that there is a considerable amount of contraband trade carried on through the means stated in the previous question?—In the trade of opium there is considerable.

1796. The question refers to other articles besides opium?—I know that there is some, but I cannot tell the amount.

1797. You are aware that a considerable number of ships proceed from ports in Great Britain to China laden with British goods; how are they disposed of?—They are generally sold to the Hong merchants and other merchants.

1798. Are they discharged in the river below Whampoa?—I believe they are generally discharged at Whampoa. I cannot say that it is universally the case.

1799. Is it not within your knowledge that all private resident agents are connected with the illicit trade in China?—I think they are not. I think Mr. Cushion is not, and some other merchants. I never myself had anything to the amount of 100 *l.* smuggling on board of my ship, or any illicit trade.

1800. Do you not believe that the smuggling trade is carried on to a great extent from ships bearing the American flag going to China?—Excepting in opium, I do not think it is to much extent.

1801. If you agreed to receive goods on freight in your vessel of 397 tons, for how many tons could you obtain payment?—About 600 tons.

1802. What would be the result in a Dutch vessel of 397 tons?—They carry about as much as our ships.

1803. In an English ship what would it be?—I should think the English ships generally carry better.

1804. In what proportion?—Perhaps something like 10 per cent.

1805. You are speaking of English merchant vessels, and not of the Company's vessels?—Not the Company's vessels.

1806. Do you consider your property as secure in your vessel, navigated by 18 men, as in a Dutch vessel navigated by 27 men?—Much more so.

1807. From whence does that arise?—I think we have smarter seamen.

1808. And should you say the same in reference to an English vessel navigated by 22 men?—I think we are equally safe. I think the price of the premiums would answer that question better than anything else. There are no ships that sail that are insured so cheap as the American, particularly to the East Indies and China.

1809. What reason have you for believing that a vessel would be as secure navigated by 18 Americans as by 22 English?—If an American ship-master is known to get intoxicated they will not insure his vessel; consequently, he must be a respectable man, and he frequently has the management of the business; but I believe in most other ships you find there is not so much attention paid to the capability of the master and officers.

1810. Do you know the rate of insurance in London as well as in America?—I do not.

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1811. You have stated the prices of the several denominations of teas in China; are you not aware that there are many gradations of character in all the denominations of teas, such as Congo and Bohea, and other sorts?—There is quite a difference.

1812. To what quality do the prices you have given apply: to the best or the lowest quality?—To about the middling quality; not to the meanest or the best.

1813. You have stated, that in your purchases of teas you have seen the Company's mark covered over, and that you have bought those teas?—Those teas have been shipped in American vessels which had been termed by the Hong merchants Company's teas.

1814. Are you aware that the Company's teas undergo a very strict inspection?—I believe they do; I am not particularly acquainted with the manner of that inspection.

1815. What must you then have inferred from the Company's mark being on the teas; should you not infer that they were rejected teas?—I do not think they were; I think it was that the Hong merchant, wanting some ready money, found the easiest way to realize it was to sell the teas to the Americans.

1816. Are you able to state whether the Company pay ready money or not?—I believe they generally pay a part in merchandize.

1817. Are chests that have the Company's mark upon them preferred by you to those that have no such mark?—Not except the tea is actually better. The Company's tea, I believe, is generally considered better, or it bears rather a higher price than the other teas.

1818. Are you a judge of the article of tea yourself?—I cannot say that I am a judge of it, but so much so, that I have been trusted with the buying of two cargoes.

1819. When you say the Company's teas are supposed to be better, do you apply that to all kinds of teas?—Not to the green teas; I had reference to the black teas, the Souchongs and Congos.

1820. What was the result of your adventure, that you gave an account of, to Amsterdam?—The two first voyages, in 1822 and 1823, were profitable; the other merely gave the ship a freight; there was no loss on it.

1821. Can you state how much was the per-centage of profit upon the two voyages?—I cannot tell; perhaps something like 20 per cent upon the whole investment.

1822. Has there been any continuance of that trade?—I have not been in that trade since.

1823. Why did you not continue in that trade?—It was found not so profitable, and we entered into a trade with other parts of India.

1824. Can you state whether any other ships sailed about the time you speak of?—There were several, but I cannot give the result of the voyages.

1825. Who was the owner of your ship?—Theodore Lyman, of Boston.

1826. What was your last voyage?—To Siam.

1827. Is the tea you purchased for the Dutch market, in general equal or superior to what you purchased for the American?—We generally endeavour to get better tea for the Dutch market than for the American market,—tea that is selected for the Dutch market.

1828. Is it better or worse than that usually selected by the Company for the English market?—I should think it is nearly the same quality.

1829. What was the proportion of tea to the other articles in the return cargo?—About three quarters of the amount of the whole invoice has generally been teas.

1830. And how much in bulk?—Nine-tenths of the bulk.

1831. Had you not some other articles besides tea?—Yes, manufactured silks, nankeens, cassia.

1832. If a ship were laden with tea entirely, would not a large ship of 1,200 tons be preferable to stow tea-chests only?—Generally a ship, as she increases in size, will stow more according to her tonnage than a small vessel.

1833. How many pounds of tea do you calculate a ton to carry?—I should think between 700 and 800; but the chests are all about an equal size, and we count ten chests to measure a ton. It does not vary much from 40 cubic feet.

1834. Are not the duties at Canton much larger in proportion upon small vessels than upon large?—They are; and I believe, they are the same on all; they are classed in three different classes, the first second and third class.

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1835. Are you or not of opinion that a ship of 500 or 600 tons burthen, with reference to the bars and shoals in the river of Canton, and approaching the river, is much better adapted to the trade than a ship of 1,200 tons, which draws so much more water?—There is little or no risk till she gets to the bars in the river, then there are two bars, which the Company's ships generally go below before they load entirely; they take in part of their cargo at Whampoa, and then proceed down the river to the second bar to load.

1836. Are not ships of 600 tons able to go up to Whampoa and take in the whole of their cargo there?—A ship of 600 or 800 tons might do it.

1837. Were you at Canton in the year 1821?—I was not.

1838. Did you go in 1822?—I did.

1839. Did you hear whether in consequence of the event you have mentioned of a woman being killed by an Italian sailor, the Americans were not treated exactly the same as they had been before?—I have not heard that it has injured the character of the Americans.

1840. Is the American flag hoisted at the Consul's house at Canton?—I believe not since the fire in 1822, when the flag-staff was burnt down: there is a flag-staff that stands out in front of the Factory, where it is hoisted, but I believe it is not universally flying; if there is a consul there, it is optional with him whether he will hoist it or not.

1841. Does he hoist it?—I have seen it hoisted; and there have been times when it has not been hoisted; but it is left at his own option.

1842. Have you heard of any mutinies on board the American ships in the Canton river?—I have, among the sailors.

1843. Did you ever hear of any authority interfering for the purpose of settling any thing of that kind?—I never knew any authority interfere; it is generally managed among the other Americans.

1844. Had they any communication with the authorities?—They had no communication with the authorities; I never heard that the Chinese would interfere in case of any difficulty on board a foreign ship.

1845. Have you never heard that the Company's Factory there have communications with the government?—I cannot say whether they have or not.

1846. You know that the Americans have not?—I believe they have not.

1847. Do you know whether there was a trial of the Italian sailor?—I believe there was no trial: the Americans refused to give him up, and consequently the trade was stopped; the Hong merchants wishing that the trade should go on, had told the captain and supercargo of the ship that if they would give the man up to go to Canton to be examined he should be returned again; and the Hong merchants said that the Mandarins had promised that that should be the case; consequently the captain and supercargo allowed the man to go down, and in a few moments after he landed at Canton he was strangled, and they sent word that they could take him away and bury him.

1848. Had the captain and the supercargo no reason to suspect that he would not have a fair trial?—They had no reason; the Hong merchants said that they were deceived by the Mandarins. A few days after that, the American trade went on as usual.

1849. Do you suppose that they were not before aware of the nature of Chinese justice; that they did not know that they were not perfectly just, like other nations, in their trial of prisoners?—I believe the captain and the supercargo of the ship had no doubt but that the man would be returned to the ship again after he was examined.

1850. Is that fact now pretty well known among the American ship-owners?—Yes.

1851. It is presumed that they do not continue in their former ignorance with regard to the Chinese modes of justice?—No, I suspect not.

1852. Do you know of the agreements made with respect to the purchase of teas by Americans being regulated by the price given by the Company?—I have no knowledge of any such transactions.

1853. Do you think that a trade with an assorted cargo could be carried on with anything like the advantage of a trade in which the outward cargo consists of dollars?—I believe the Chinese like dollars better than they do almost anything else.

1854. Have not the Americans carried on that trade almost entirely since?—Mostly: some of our ships have taken British manufactures.

1855. Have they found themselves the better for it?—I cannot say, having myself

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myself nothing to do with those transactions. Merchants generally keep those things pretty much to themselves, particularly if they are making a profit; and if they are losing, they say little about it.

1856. Do you know that that trade has been a losing trade?—I do not know whether it has been a losing or a profitable trade. I have frequently heard it discussed.

1857. Can you say, when it was discussed, whether it was said to be a losing or a gaining trade?—There is a house which is remaining out there which has received a good many British goods from Liverpool. Mr. Dunn is the agent there; and I think they must have made it profitable, because they still continue to carry it on.

1858. In the discussions at which you have been present, have not you heard that it was a losing trade?—Latterly they have said that there has been little or nothing gained by it.

1859. Has there not been something lost?—I cannot say that there has been much lost in the trade.

1860. Do you not believe that it has been a losing trade?—I do not think it has, generally speaking.

1861. Do you know why it has decreased so much?—In the article of British manufactures I do not think the trade has been decreased; to the best of my knowledge there have been as many British manufactures sent out in American ships, the last three or four years, as the three or four years previous.

1862. Have they been sold?—I cannot say, not having been there the last three or four years.

1863. Have you never heard it discussed whether those goods did find a market at Canton?—I know that a considerable quantity has found a market; whether all that has been carried out I cannot say.

1864. Did you not hear that it was at very low prices?—I cannot say whether the person was making a profit or loss: at the time I was there it was considered profitable.

1865. When were you there last?—In 1824.

1866. Since that time have you heard the matter discussed?—No.

1867. Then you cannot say whether it has been a losing trade since that time?—I can say nothing upon that.

1868. Is there any article of manufacture in the United States which is calculated for the India or the China market?—There is the article of white cotton goods.

1869. Has that been sent out in large quantities?—There have been considerable shipments made to China.

1870. Did it appear to you that the Chinese government was anxious to increase its foreign trade?—I believe they are aware of the advantages of a foreign trade.

1871. Do you think they would be as desirous as America or England or Holland would be to increase their foreign trade?—I should think very likely they would. They seem to be aware of the advantages of a foreign trade as well as other people.

1872. Have they any shipping carrying merchandize to foreign ports of Europe or America?—Their shipping carry merchandize, but not to Europe or America.

1873. Do you believe that if the demand for fine teas increased, the supply could be readily brought up to reach such demand?—I cannot answer that question, having so little knowledge of the way in which the teas are manufactured.

1874. Do you believe that an additional number of ships trading to Canton would lower the profits so much as to render the trade a bad one to carry on?—I should think a considerable increase of trade there would lower the profits.

1875. Are the American traders to China alarmed lest the British trade with China should be thrown open to the public?—I think not.

1876. Have you been at Sincapore and at Siam?—I have.

1877. Have you found any quantity of Chinese junks there?—At Siam a large quantity.

1878. What quantity have you ever seen there at one time?—I should think eighty.

1879. Of what size?—Some of them would carry 700 or 800 tons, and some others perhaps 200 or 300.

1880. Do those junks carry on an extensive trade with different parts of China besides Canton?—They are principally from other parts; very few from Canton.

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1881. Do they import teas in any considerable quantities into Siam?—They do.

1882. What amount of teas do you think at any one time you have known to be in Siam, imported by those junks?—That would be a difficult question.

1883. Did you find any Chinese tea there?—A large quantity. I should have no difficulty at any time in loading one, two or three ships of the size that I had there.

1884. What quality of tea?—Principally black teas: Souchong and Congo of very good quality.

1885. Have you ever bought any tea there?—Only for my ship's use.

1886. What did you find to be the price of the same quality of tea, as compared with that which you purchased at Canton?—The price was very little increased above what I could get the same tea for at Canton.

1887. Do you conceive that tea might be imported into England from Siam, or any of the eastern islands, at a cheaper rate than that at which it is now imported from Canton?—I should think not. I should think it would be imported cheaper direct from China, unless there was more carried to those places than was wanted for the supply.

1888. Do you think that the communication from Siam to the other ports of China besides Canton, by means of junks, affords any prospect of a market for British or American goods in China?—I believe by the junks there is considerable trade carried on to all the ports.

1889. Do not some of those junks sail from the provinces of Kiangnan and Fokien?—They do.

1890. Are not those provinces where tea is grown?—I cannot say precisely.

1891. Have you ever been on board of a junk?—Many.

1892. Are you aware that every junk contains a great variety of individual merchants who carry their investment down, and after disposing of it return to the port from whence they came?—They do; a junk is cut up into small apartments and let out to individual merchants.

1893. From what ports eastward of Canton on the Chinese coast do those junks principally come?—I do not know the names of many of the ports. Chicho is a place of considerable trade; the names of the other places I do not know.

1894. Have you on board of those junks bought or sold any article?—No, I have not.

1895. Then you are not aware how far those individuals are shrewd and keen merchants?—I have traded with the junk people on shore, and they are very keen and shrewd in their trade.

1896. What cargoes do those junks usually take back from Siam and Sincapore?—They take sugar, horns, hides, ivory and spices; and from Sincapore they take rattans, pepper; whether they take British piece-goods I cannot state.

1897. Do you know whether they take any quantity of hides?—A considerable quantity of hides.

1898. You have stated that the large Company's ships are obliged from their size to go below the second bar in the Canton river before they comple their cargo; are you aware whether that incurs a very considerable increased expense in loading the cargo?—I believe it does not increase the expense of loading.

1899. You have stated that you believe opium is the principal thing smuggled by the American ships; when you have been there have you not seen a number of English opium traders lying outside the river?—I have seen one or two, not a number; I think at one time I saw three English opium vessels lying there.

1900. From what you saw when you were there, do you consider there is more opium smuggled by the Americans than by the English?—I think there is more by the English; we have generally only one vessel, and the British have two or three.

1901. You have mentioned an unfortunate occurrence which happened with reference to an Italian at Canton. Since you knew anything about Canton, have you ever heard of any similar occurrence with any American ship?—I never have.

1902. Has any other occurrence ever taken place to stop the trade at Canton?—Not with the Americans; I believe with the English an occurrence did take place of some man-of-war, some frigate, killing some men; they wanted the other men sent out; some two or three men that were killed by the British frigate.

1903. Did that stop the American trade?—It did not stop the American trade, but the Company's servants left Canton, I believe, on account of it.

1904. Is it not the fact that they would not deliver them up, and that they succeeded in their oppoisition to that demand?—They did.

1905. What

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1905. What is the name of the port in Siam to which you have referred as being resorted to by the Chinese?—Bankok.

1906. What goods do the Chinese junks generally take there from China?—They take teas and earthenware and preserves.

1907. Much tea?—Considerable quantities of goods.

1908. Were those junks Chinese junks, or Cochin-Chinese junks?—Mostly Chinese. Last year there were no Cochin-Chinese, in consequense of difficulties between the Siamese and the Cochin-Chinese.

1909. Has the number of Chinese increased of late years at Bankok and Sincapore?—I cannot say whether they have or not.

1910. As you had no supercargo on your second voyage, did you find any difficulty in making your selections of teas?—Not any,

1911. In what way did you proceed to make those selections?—I opened a number of chests of each chop, and by having a parcel of cups, weighed a certain portion, and drew the tea by putting boiling water on it. One method of trying the quality of tea is by rubbing it in the hand.

1912. You do not think any difficulty would be found by any person conversant with the trade in making those selections?—Not more than other articles of trade.

1913. When you spoke of tea being brought cheaper direct from Canton to England than if it came through the circuitous channel of Sincapore, did you at that time contemplate the prices at which it is sold by the East India Company, or the prices at which it would be brought by other traders?—I looked at the prices now paid by the East India Company.

1914. Have you never heard that the Americans applied to the Company's Factory to aid them in their intercourse with the Chinese authorities?—Not to my knowledge. They may have done so, but I never heard of it.

1915. Have you made any computation of the amount per pound of the freight of tea in your vessels?—I have not. I should think about four or five cents would be a fair freight per pound; that is about 2 ½ *d.*

1916. You said that your cargoes to America were principally black tea; have you found the importation of black tea the most profitable?—Not for the American market; but the black teas were selected for the Dutch market.

1917. When you spoke of the rate of insurance being lower on American vessels than on British, did you mean the insurance in America?—I meant in America only. I presume it would not be less in England.

1918. You were understood to say, that that insuranee would depend upon a knowledge of the character of the person that should have the command of the vessel?—Considerably.

1919. And of course that knowledge could be better obtained as respecting an American, than as respecting any foreigner in America?—Certainly.

Jovis, 4° die Martii, 1830.

Mr. *John Aken,* called in; and Examined.

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1920. YOU reside at Wapping?—I do.

1921. You were formerly master of the Investigator, a discovery ship?—I was.

1922. After that did you command a ship trading between India and China?—I did.

1923. What was the name of that ship?—The Exmouth.

1924. How many voyages did you perform in the Exmouth between India and China?—Two.

1925. In what years?—In 1817, 1818 and 1819.

1926. What did your cargo consist of to China?—Principally cotton; there were also opium, putchuck, a species of dye, I think, for the nankeen.

1927. Is it a vegetable or a mineral dye?—Vegetable.

1928. Do you know whether that dye is used any where but in China?—I cannot say; the other articles were steel, nutmegs, cloves, rattans and saltpetre.

1929. What was the sort of steel that you took?—It is generally the cast steel; it is sometimes blistered steel; we took both kinds of steel.

1930. Was it in the manufactured articles?—No, in small bars.

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1931. Was that steel the produce of India?—No, imported into Calcutta from England.

1932. Through whom did you generally transact your business at Canton?—The Hong merchants.

1933. Did you ever find any difficulty in trading with the outside merchants?—Not the least.

1934. You have often traded with them?—With both.

1935. In what way do you select the Hong merchant with whom you shall trade?—We generally, on our arrival, agree with those that will give us the most for our cargo, and the person that takes the cargo is the person that becomes security to the government.

1936. Did you give him any advantages in your dealing to induce him to become the security merchant?—Nothing.

1937. Do you pay him any fee?—None.

1938. Do you find that some of the merchants are always willing to become security for the ships arriving there upon those terms?—Always.

1939. What was the size of the Exmouth?—Six hundred and ninety-five Calcutta tons; in English measurement she was 725.

1940. What is the reason for the difference between the Calcutta and the English measurement?—I cannot say that; it is some little difference in taking the length of the keel.

1941. In what way do the Chinese measure the vessels?—The Chinese measure the vessels from the centre of the mizenmast to the centre of the foremast, and they take the extreme breadth close behind the mainmast, and multiply them together, and divide the product by ten to give the measurement.

1942. Are all the charges excepting the cumshaw paid upon a ship in the port of Canton, proportioned to the size of the ship?—I think they are; there may be some little difference, but it must be merely casual expenses.

1943. Will you state what the cumshaw is?—The cumshaw is a present.

1944. What does it amount to?—1,950 dollars.

1945. Is that the same upon all ships?—It is.

1946. Do you know when that cumshaw originated?—In 1704.

1947. Do you know at whose instigation it originated?—I have often heard it said, both in China and in India, that the supercargoes gave this to the superior Mandarins to induce them to show them favour, which they supposed they had some profit by; it has continued, and now it has become the law there: they demand it from all ships.

1948. Do you know whether that present is paid to the government or paid to the individual Mandarins?—I think it is principally amongst the Mandarins: but there is a part of it goes to government, and then it is divided amongst the different Mandarins; all the officers in China are called Mandarins.

1949. Are there not other duties paid there for the Compradore?—The Compradore has his fee; his fees are generally 300 or 400 dollars; but there is a sum paid to the Compradore, for different duties, which I am not acquainted with. The Compradores altogether generally amount to nearly 2,000 dollars.

1950. Does that sum of 2,000 dollars form a part of the port charges at Canton?—It does.

1951. What was the whole amount of the expenses of the Exmouth at Canton on each voyage?—About 9,000 dollars.

1952. In what year was that?—That was in 1818 and 1819.

1953. To whom were the goods that you took out to Canton sold?—I sold them to the Hong merchants.

1954. Was any charge made for commission by the Hong merchants?—Not any.

1955. Do the outside merchants charge any commission upon sales and purchases?—None at all.

1956. Have you ever consigned any part of your cargo to resident English or other foreign merchants?—Yes; to the American consul.

1957. Can you state the amount of his charges on that consignment?—Three and a half per cent on the sale price at Canton.

1958. What was the charge of the American consul for negociating bills?—One per cent.

1959. What was his charge upon goods purchased?—Two and a half per cent upon the invoice price.

1960. Do

1960. Do you consider the charges on shipping at Canton to be high or otherwise?—I think they are very moderate, considering that there is no more paid for a rich cargo than for a vessel arriving in ballast; it is no matter what cargo you take there, the same duties are paid; if you take a very rich cargo, the duties come to very little indeed.

1961. The port-charges then do not vary in proportion to the value of the cargo, but only to the admeasurement of the ship?—That is all.

1962. Is there, or not, a facility in transacting business in the port of Canton?—Great facility.

1963. Do you conceive there is as great facility in transacting business in the port of Canton as in any other port with which you are acquainted?—I think more.

1964. As much as there is in India?—A great deal more.

1965. Is there as much facility in transacting business in Canton as in ports in England?—Yes, and a great deal more.

1966. Why is it that you should say there is more facility?—You have nothing to do but with one man, and when you once get your bargain made you have no trouble whatever.

1967. Are the cargoes of ships easily discharged?—Very easily. We do not lie very near to Canton; we are about eight miles from Canton, at a place called Whampoa.

1968. Then they are discharged by means of lighters?—They are.

1969. And loaded in the same way?—Yes.

1970. Do you conceive that the Hong merchants are liberal in their dealings or otherwise?—Very liberal.

1971. Should you place confidence in their honesty and honour?—I have every reason to believe they are honest in every respect.

1972. Do you find them cautious in making their bargains?—Very cautious.

1973. Did they adhere to those contracts which they entered into?—Yes; I scarcely ever knew of any person ever suffering by them at all.

1974. What should you say in that respect with regard to the outside merchants?—The outside merchants are people that you can scarcely ever tell what character they are of, unless you have dealt with them once or twice; if you deal with a stranger you may be minus, and it often requires caution.

1975. It is presumed that the outside merchants, like other merchants, contain an admixture of good and bad?—No doubt.

1976. And some of them are very respectable?—They are.

1977. Would you as soon deal with an outside merchant as you would with a Hong merchant?—No, I would not.

1978. Supposing you had had dealings with an outside merchant, and found him to be a man of respectability, you would then have no difficulty in dealing with him?—Not the least; there are many of them that I have dealt with, that I would as soon deal with as any persons.

1979. Do you consider the navigation to Canton easy?—Very easy.

1980. Have you ever had any unpleasant occurrence with your crew when at Canton?—Not any.

1981. What was the description of your crew?—Lascars, and some Europeans.

1982. Of what nation?—A mixture of almost all nations, some Portuguese and some Spaniards, and some Englishmen. We generally took six Europeans in the country ships just for steering the ship, what they call sea-cunnies. I had six young men with me that I took from here as apprentices, who acted as mates or midshipmen.

1983. Were those young men Englishmen?—They were Englishmen.

1984. Are the sea-cunnies Europeans?—They are some of them Portuguese Indians.

1985. Are they not all Indian Portuguese?—Some of them are European Portuguese.

1986. Should you not think a mixed crew of that kind quite as difficult to manage as a crew consisting of English sailors?—No, I do not think they are; English sailors would be worse to manage, I think.

1987. Should you imagine that with proper care and attention, whatever might be the crew of the ship arriving at Canton, there would be any reason to apprehend any impediment to the trade on account of the conduct of that crew?—Not the least.

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1988. Have any difficulties been encountered on account of the present freedom of trade between India and China, in the port of Canton?—Not any.

1989. Do you conceive there would be any reason to apprehend difficulties, provided the trade between England and China was as free as the trade between India and China?—Not the least; the Company's ships are all navigated by Englishmen, and the Americans are all navigated by their own people, and I have never seen much difference between the American and the Company's seamen.

1990. Do you imagine that the English seamen are inferior in point of character and conduct to the American seamen?—I do not see much difference.

1991. Have you carried opium to China?—Yes.

1992. Can you state any quantity that you have ever carried?—I have carried about 100 chests.

1993. Is that opium smuggled into China?—It is.

1994. Who takes the risk of the smuggling?—The person to whom we sell it.

1995. To whom is it commonly sold?—It is generally sold to outside men.

1996. Do the Hong ever purchase opium?—I believe not.

1997. Do you know how the outside merchant introduces it into China?—I am not acquainted with that.

1998. Is not it a fact, that they bring the boats alongside, and then it is thrown out of the ship into the boats?—Yes; when I sold my opium I gave an order upon the chief officer to deliver it, but the person to whom I sold it takes the risk entirely in taking it from the ship; he pays me for it before he gets the order.

1999. What does he generally pay you with?—In dollars, or Sycee.

2000. Do you happen to know the method by which the opium is smuggled into the country?—They take it from alongside in smuggling boats that are well manned and armed, and there are a great many rivers, branches and islands, and different places, and they put off directly with it, and they set all the government boats at defiance. I have seen that myself. I have seen four mandarin boats surrounding my ship when I had 30 chests of opium to smuggle, and I was prevented from going to sea on account of the opium, and I sold it to the people. I went down myself and saw the way that they smuggled it; they stripped the chest entirely away, and took nothing but the opium, and put it into bags, and we open the lower-deck port, and in one moment they put the opium into the boat, and all hands are off in a moment; we did that in a very heavy shower of rain; there was a cry out about three minutes afterwards, but the boat was gone like a shot.

2001. Were the mandarins boats lying near?—One was lying a-head touching the ship, another was lying at the stern, and another was lying upon the opposite side.

2002. They were there to prevent smuggling?—Yes.

2003. Do you obtain greater or less price for your opium in proportion to the degree of vigilance of the mandarin boats?—No, I never knew any difference made on that account.

2004. If the mandarin boats had not been there should you have obtained a larger price?—I do not think we should have got more; they always make certain of it; and it always struck me, that there was an understanding between the smugglers and the mandarin boats: there is an apparent vigilance kept up which has no existence in my opinion. I have been told so by a number of people.

2005. Might not other commodities, of small bulk, be introduced into China by the same means?—I should think they could, very easily.

2006. Do you happen to know whether it is a practice with regard to any other commodities except opium?—Saltpetre, which is a bulky article, is smuggled. I used to smuggle it myself; at least, I carried it there, and it was smuggled by the people to whom I sold it.

2007. Is saltpetre a probibited article in China?—No; you can sell it to the government if you please; but we cannot sell it so well to the government. We can generally get about two dollars a pecul by smuggling it.

2008. Is that on account of the duty paid to government?—I think it is.

2009. Have you known of any other article being smuggled?—I think sometimes broad cloth is smuggled.

2010. By the Americans or the English?—By the English. I once carried two bales of cloth, and it was smuggled, I know, but wherefore I cannot say, because it did not belong to me.

2011. Do you happen to know whether the cargoes of goods which go from England

England on board of the American ships are introduced into China legally, or are smuggled?—I cannot say; but I really believe that they are introduced legally, because I have been acquainted with so many American supercargoes that I think I must have heard of it if it had been otherwise.

2012. With respect to the opium that you carried out to China, was that purchased at the Company's public sales?—Yes, at Calcutta.

2013. Can you state, with respect to the value of the opium, whether the Malwa opium is better than that grown in Bengal?—The Patna opium is the best.

2014. What is the next in point of quality?—I believe the Malwa they like the best in China. The Turkish opium has come there within these last ten years, and is likely to supersede the Bengal opium. The Chinese did not like it in the first instance, but I believe now they are more reconciled to it; they like it equally well, and it is much cheaper; that has done a great deal of harm to the sale of the Bengal opium.

2015. Is any Turkish opium introduced through any of the Comany's ships into China?—Not unless it is smuggled.

2016. Should you reckon the Malwa opium the least good of those you have mentioned?—I know nothing but of the Patna opium; that was the only opium that I had any thing to do with. We generally used to buy it in Bengal from 1,900 to 2,000 rupees a chest; and we generally used to get 1,200 to 1,400 dollars for it in China, sometimes 1,500 dollars.

2017. Is the opium sold at Bombay lower in price than that sold at Calcutta?—I believe it is.

2018. Are you not aware, that all the opium which comes from Bombay is Malwa opium?—It may be, and I dare say it is; but I am not acquainted at all with Bombay. I have been very little on that side.

2019. Where did you effect your purchases of opium in India for the China trade?—They were generally made at the Company's sales.

2020. Are those purchases made avowedly and openly for the China trade?—I believe so. We clear out with the opium in the ship. It is well known by the Company that we take it to China.

2021. Do the opium chests bear the Company's mark?—Yes.

2022. Before they are sold in China, is the opium changed from those chests into any other packages?—No; they are sold in the original packages.

2023. Are they sold in China in any mode of packing bearing the Company's mark?—Yes; they are sold with the Company's mark on them in China.

2024. Is the Company's mark upon the chests of opium, or upon the packet of opium?—Upon the chests. They strip the chest away entirely when they take it away, and throw it overboard, and it is then put into bags.

2025. Then nothing bearing the Company's mark goes ashore in China?—Nothing at all; we strip it and throw the chests overboard, and destroy them as soon as we can.

2026. Then the purchaser looks at the mark, and it gives confidence to him?—His confidence is generally placed in the seller.

2027. Is not the opium sold at the Company's sales made up in bales of the most convenient size and shape for smuggling into China?—Yes, it is.

2028. Have you ever purchased any tea at Canton?—I have, both black and green.

2029. From whom have you purchased it?—Both from the Hong and the outside merchants.

2030. Have you ever found any difficulty in getting the tea you wanted to purchase?—Not the least.

2031. Is not there a certificate given in the opium-chest, containing the name of the Company's opium-agent, and a statement of the weight?—There is; that is in the inside of the chests.

2032. Is that certificate communicated to the Chinese merchants who deal in the opium?—No, the person that purchases it never looks at it all; but I remember seeing them broken open, and I remember seeing a paper of that description in the inside of the chest.

2033. Is the tea purchased as you have described, packed and sent on board by the merchant of whom it is purchased?—It is.

2034. And that merchant is responsible for the quality of the tea so sent?—When I have been purchasing from an outside merchant, I have generally wished

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to have the chest opened here and there, and he has been always very willing to do so, to examine it.

2035. Did you ever find any chest of tea inferior in quality to the sample which you have purchased?—I never did.

2036. Do you know whether any custom prevails in China of returning two chests for one where an adulterated chest of tea is given to the purchaser?—I have not heard of that; I have heard that there have been some tricks occasionally, but I believe in a very trifling degree.

2037. Do you conceive the tea that you purchased at Canton was as good, in proportion to the description of the tea, as that which you purchase in England?—Equally so.

2038. What have you paid for the gunpowder tea at Canton?—From 60 to 65 Spanish dollars for the best, per pecul; gunpowder tea can be got for less.

2039. And what for the best black tea?—The best black tea, from 40 to 45.

2040. How do you generally pay for that tea?—We sometimes pay for it in barter, but generally in dollars.

2041. Do you buy it cheaper when you pay for it in dollars than when you pay for it in barter?—That is a matter I can hardly say, because when you pay for it in barter you can hardly put the dollars in competition with it.

2042. You do not find it difficult to take tea in exchange for goods from the merchants?—No, very easy.

2043. In the year 1819 could your ship have been chartered from Canton to some port on the Continent of Europe if you had been permitted to do so?—Yes.

2044. Would that have been a profitable voyage to the ship?—Very profitable.

2045. Who would have taken up the ship at that time?—A Prussian merchant at Canton.

2046. What would he have paid per ton for it?—£.25.

2047. Did you request permission to undertake that voyage?—Yes, I applied to the supercargoes.

2048. Did you obtain that permission?—No.

2049. To what port of Europe was it proposed to charter the vessel?—To Hamburgh, I think.

2050. Is the country trade carried on almost entirely by the free traders from India and China?—Yes.

2051. Do the Company take any part in that trade?—I do not think the Company themselves take much part in the trade. The captains of the Company's ships generally bring in a great many things from Bengal, Madras and Bombay, or Penang; they all take in pepper, cotton, and any thing of that kind that they could get, and, I believe, it is generally taken on the captain's account.

2052. Can that trade between India and China be carried on by houses resident in England?—No.

2053. What is the reason why it cannot?—I do not know the Company's reasons; but it is by the regulation of the Company that we can only go to China by license of the Company.

2054. You have stated that the captains in the East India Company's service carry on some portion of trade on their own account, do you allude to the goods which they take in the privileged tonnage?—I believe that the Company do not send cargoes themselves from those ports, from either Madras, Bombay or Calcutta, and therefore the captain generally takes in as much as he pleases, without any hindrance whatever; the privilege which the captain and the officers have is at their loading port at Canton from India to England.

2055. Do you know how the officers of the Company dispose of the goods which they import into China under their privilege?—They generally sell them to the Hong merchants.

2056. Have you known any cases in which they have dealt with the outside merchants?—Yes, they deal with both.

2057. Have you known any instance in which the country ships have traded with ports in China to the north of Canton, Amoy and Lingpo?—No, I never heard of any.

2058. Do you consider that there is much sea risk attending a voyage from England to Canton, if undertaken at the proper season?—No, there is very little risk.

2059. Is there greater or less risk than there is in a voyage from England to Calcutta?—I think there is a great deal less, but that is owing to the navigation in the Hoogly river.

2060. Supposing

2060. Supposing the freights to be the same, would you rather undertake a voyage from England to Calcutta, or a voyage from England to Canton?—To Canton.

2061. Have you not lived at the Cape of Good Hope?—I have, for seven years.

2062. Did you purchase tea while you were there?—I used to purchase tea for my family use.

2063. At what time did you live there?—From 1821 to 1828.

2064. What did you give for the best black tea per pound, at that time?—About three dollars and a half, which is nearly 5 *s.*

2065. What is the duty paid upon the importation of tea into the Cape?—It is an ad valorem duty of ten per cent.

2066. Was it imagined at the Cape that a considerable profit was derived by the Company from the sale of tea at that price?—I think it is generally believed to be about 100 per cent, after paying all charges.

2067. Do any other parties, except the Company, bring tea from China to the Cape of Good Hope?—No other. About 12 months before I left the Cape there were a few chests brought from England, which the Company could not prevent being landed there, brought in a private ship.

2068. Could tea brought in a private ship from any other place except England be landed at the Cape of Good Hope?—No.

2069. Did you ever apply for a license to export tea from Canton?—Yes, we always applied for our license previously to sailing from Calcutta.

2070. Did you ever apply for a license to export 800 chests of tea to a port within the Company's limits?—Yes.

2071. Was that granted?—No, only for 400.

2072. To whom did you apply?—To the government in Calcutta.

2073. If that license had been granted to you to export tea from Canton to the amount of 800 chests, could you have made a profitable voyage, that being part of your cargo?—Not with 800 chests; but it would have been so if I had been allowed to take any quantity I pleased. In so large a ship as mine 800 chests of tea would not have been an object, but in a small vessel it might have been a very great one.

2074. Where would you have taken that tea to?—To the Isle of France and the Cape of Good Hope.

2075. But the small quantity you were allowed to take was not sufficient inducement to you?—No.

2076. Could you carry tea at all to the Cape of Good Hope?—Not at all to the Cape of Good Hope.

2077. Would you have been allowed to take 400 chests of tea to any port within the Company's limits, except the Cape?—Yes.

2078. Is the Mauritius also excepted?—I cannot say; our license ran thus: "You can take 400 chests of tea in at Canton, to dispose of it at any intermediate ports between this and Calcutta." Now it is a query whether you could make the Isle of France an intermediate port; perhaps it would be out of the way: but that question was brought before the court at the Cape of Good Hope. There was a ship that brought tea there, and she was seized; they gave bond, and afterwards the question came before the King in council, and the ship was afterwards liberated.

2079. What was the date of that?—I think it must have been about 1823; a ship called the Lady Flora.

2080. Where did that ship bring the tea from?—From Canton.

2081. Was the tea allowed to be sold at the Cape?—Yes, I believe it was sold there. The ship was seized, and the cargo too. She had very little tea in, but she had a great many things that she brought direct from China. The question came before the court, and I was one of the evidences before the court. The fiscal brought a chart, and he asked me if I could make it out that the Cape of Good Hope was an intermediate port; and I asked at what time of the year the ship left Canton, and it appeared that it was the contrary monsoon to come down the China seas, and I said yes; that Captain Balsam, of the Lady Flora, perhaps had come round Cape Horn, and therefore the Cape of Good Hope was an intermediate port.

2082. What was the decision?—They decided against the ship. The ship was seized, and her cargo also, but they gave bond, and it was about three years afterwards decided by the King in council, and the ship was liberated again.

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2083. Was the cargo allowed to be sold at the Cape of Good Hope?—It was.

2084. Have you ever purchased gunpowder tea at Canton to be sold at Penang?—Yes.

2085. What did you sell that tea for at Penang?—About 76 Spanish dollars per pecul.

2086. Was a profit realized by you upon that sale of tea?—I generally used to make about 15 per cent.

2087. Can you state the price of tea of similar quality at the Cape of Good Hope?—The price of gunpowder tea at the Cape of Good Hope was about six dollars, or nine shillings per pound. Besides the Government duty of 10 per cent, the Company pay about five or six per cent for the auction-duties at the Cape. They oblige them to sell all by auction, therefore they collect the duties upon the auction-sales.

2088. Then the whole duties paid upon the sale of tea would be 16 per cent?—That is paid by the Company.

2089. Can you tell what the duties are paid at Penang?—Upon tea I cannot say. I think the people who purchased from me always paid the duty themselves. I believe it is very trifling.

2090. It is not so much at Penang as at the Cape of Good Hope, is it?—Perhaps not so much. 10 per cent is but very small upon tea.

2091. Is not tea a very common beverage in China?—Yes, the black tea is a very common beverage. Every Chinese house you go into there is tea always on a sideboard, as a beverage, in the teapot, and you may help yourself to a glass of tea at any time you please; it is always in the room.

2092. Do they drink it without any admixture?—They sometimes have a little sugar, and sometimes not; there are a great many drink it without any sugar.

2093. Do the Chinese drink green tea?—I think not.

2094. Do the neighbouring nations?—I think not. I think they generally drink black tea.

2095. Supposing the trade between England and China were more completely free, do you imagine that the Company would, under the present state of things, be able to carry on their trade?—They might carry it on, but I believe with a loss. I mean so far as regards their present establishments. If their establishments were to be as great as they are at present, there must be a loss.

2096. Could they continue to pay the present amount of freight that they pay between England and China?—No, I do not think they could.

2097. What is the amount of freight?—I cannot say exactly what the freights are, but I know they are much greater than any free traders can possibly get.

2098. What is the present amount of freight between England and Calcutta?—About 4 *l.* to 4 *l.* 10 *s.* a ton, out, and home, with what we call dead weight; heavy goods and light goods; the average of 4 *l.* out, and 4 *l.* home, is the general rate of freight.

2099. Do you happen to know the rate of freight paid by the Company in a voyage from England to Canton?—I do not know.

2100. What would be the rate of insurance upon a ship from England to Calcutta?—I think about three to three and a half per cent.

2101. You have stated that you live at Wapping, what kind of life are you now in?—A sail-maker, ship-chandler, and provisioner.

2102. Have you ever shipped any goods to India lately?—No.

2103. From what source is your knowledge of this freight derived?—I am every day upon the Royal Exchange.

2104. You have stated you were at the Cape from 1821 to 1828, had you a partner there?—Yes.

2105. What was his name?—Monteith.

2106. What did you deal in principally there?—In India goods principally; we had two brigs that traded between Calcutta and the Cape with India goods.

2107. You have given the Committee information as to the China trade between the years 1817 and 1819; have you had any knowledge of the China trade personally, subsequently to the year 1819?—No; I knew very little about it, except from having seen persons coming past that I have asked questions of, but I had no personal knowledge since 1819.

2108. Do you know Mr. John Bagshaw, formerly of Calcutta?—Yes.

2109. Was he a consignor of goods to your house?—No, he was not.

2110. You

2110. You had no goods in the hands of yourself and your partner belonging to Mr. Bagshaw at any time, had you?—No.

2111. Had you any dealings with Mr. Bagshaw?—No.

2112. With respect to the tea which you saw at the Cape coming from England, what year was that in?—I think it was in 1826, but I am not certain as to that point.

2113. By what ship did it arrive?—I cannot say, but it was consigned to Messrs. Borradaile, Thompson & Pillans, at the Cape.

2114. Do you know the quantity of tea?—I cannot say the quantity, but I should say 20 chests, or something of that kind; it was but a small quantity.

2115. Had you any means of seeing the quality?—No; I had not.

2116. And you have no knowledge what it sold for?—No; I had not the least.

2117. Was not the importation from England of the tea to which you have referred, because of its being of a superior quality to that which usually came from China?—I did not know the cause; they expected they could import it from England, and sell it at the Cape cheaper than what the Company did.

2118. The quality being the same?—The quality being the same.

2119. Do not you know that the usual mode of navigating the country ships is without any Europeans on board, except the captain and the officers?—Both my voyages to China we had two Europeans among the sea-cunnies.

2120. Were they Europeans or half-caste?—They gave themselves out as Europeans, and I believe they were.

2121. Were not the crew all Lascars?—All Lascars.

2122. What sized vessel do you consider most convenient for carrying on the Canton trade?—At that time I think vessels of 600 or 700 tons were the best for that.

2123. You say at that time; has your opinion varied since that time?—No; I have not any opinion different from what I had at that time. I have been told that they do navigate now with smaller ships than they used to do, but my reason for having a larger ship was, that the duties being nearly the same in some things, we reckoned that the expenses were lessened by having them in large ships.

2124. Is there any other duty but the cumshaw, which is the same?—I believe nothing but the cumshaw.

2125. To whom did that vessel belong?—The agents were Alexander & Co.; she belonged to me, and a house at Liverpool.

2126. In Canton did you do your own business, or was it done by a country agent there?—The first voyage I consigned my ship to the American consul, a Mr. Wilcox; but I found the business so very easily done, that I transacted my own business afterwards.

2127. Do you consider that you could do your business there to the same advantage as it was done by the resident agent?—Equally so.

2128. Did that arise from your own knowledge of the place, or do you suppose that any captain coming there for the first time would do his business there as easily?—I think equally so.

2129. How came you to select an American house; had you any reason for not taking any of the English houses of agency?—There was no English house there; there were Englishmen, but they were under the foreign flag; no Englishman is allowed to remain at Canton.

2130. Do you mean to say there were no English houses of agency established at Canton?—None; they are not permitted by the Company.

2131. Were there not English houses acting under foreign flags?—Yes.

2132. Houses of respectability?—Houses of respectability.

2133. And doing considerable business?—Doing a great deal of business.

2134. Was Mr. Davison there at that time, and doing a great deal of business?—Yes, I knew both the Davisons.

2135. Do you consider that you bought your teas as advantageously as the Company's Factory bought them?—I should think not. I think the Company could purchase their teas cheaper than we could, because they had greater facilities. The select committee is there the whole year, and they certainly can purchase their tea cheaper, because they take such large quantities.

2136. So that you think the Company, in consequence of their being such large dealers, can command the article at better prices than individuals?—I think they can.

2137. Does not sometimes the fact of your wanting large quantities tend to enhance

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enhance the price to the buyer?—No; I cannot say that it does; there generally is a price put upon it after it comes into the Hong, which they do not deviate from; but the Company, I believe barter a good deal; I have been informed so by the supercargoes,

2138. Do you think the teas are bought upon better terms by being contracted for the year before?—I should think so.

2139. You think that the contracting is a better system with the Chinese than buying upon the spot?—I should think it is.

2140. Do you think the Company get a better quality of tea than the free traders?—I think not; I have had my information upon that point from the American supercargoes, and Mr. Wilcox, who was a very well-informed man, told me that he could buy teas of as good a quality as any of the Company; he has been frequently there in the Company's stores, when they have been tasting the teas, and he declared to me that he could buy as good teas, and that he had sent to America teas equally as good as the Company's; but what terms the Company have purchased their tea upon I am not informed.

2141. Is that speaking of tea generally, or black tea, or green tea?—Of tea generally; but the free traders would have a great advantage over the Company, which would more than compensate, I think, by coming cheaper, not having such a large establishment, and having their ships at a less freight. The Company's establishment there is immense, and is a very heavy expense, which the free trader would not have, and I think the free trader could come into the market and dispose of all his teas in Europe at a cheaper rate than the Company could.

2142. Do you consider that, as far as concerns the mere dealing with the Chinese, the Company can do it better than individual merchants can do it?—I think they can, under the present system.

2143. Do the Factory upon the whole rather impede the private trade, or do they protect and encourage it;—They do neither the one nor the other; they take care that you do not take any more tea from China than your license allows you; you are obliged to report to the chief supercargo the cargo that you bring to China, and also what you take away, and if we do anything at all derogatory to their directions, or the instructions we receive, they will foreclose the bonds which we are under at Calcutta, which I think is two lacs; a lac for the captain, and a lac for the merchant.

2144. Are they at all vexatious in their interference with you?—Not the least, they are very liberal; they behave exceedingly well to all the country captains.

2145. You do not consider them as going out of their way to molest you:—Not at all.

2146. From your experience of the trade of those seas, do you think that if the China trade were entiretly thrown open, branches of trade would not spring up which are now kept under by the monopoly?—There is not the least doubt of it. In all the coast of Cochin China I have turned down with the Exmouth with a foul wind, and I have turned into several fine harbours all the way along the coast; we turned into six or seven different harbours along the coast, and I am sure there might be a great trade carried on if those ports were open, and not only that, but with the great islands of Japan, which we have no communication with whatever. I have often thought that if an embassy was sent to Japan, and a favourable result ensued, there would be no doubt an immense trade, for those people are now emerging to civilization; and I have often thought that a very great trade might be carried on there. If an English whaler, by accident, be cast away there, they use them very ill, and murder them generally; but the Dutch carry on a great trade there from Batavia.

2147. When you speak of the monopoly being an impediment, do you mean the restrictions which now exist by law to the free trade in those seas?—That is what I mean.

2148. Do not you think there might be considerable trade with the Phillippine Islands?—A great trade might be carried on with the Phillippine Islands and the Coast of Borneo.

2149. Do not you think that the ingenuity arising from a free exertion of private interest, frequently starts means of trade to merchants which were unknown before?—Yes, which had no existence before; no doubt of it; a great deal might be done if the trade were open.

2150. Is there any trade at present between Mexico and Canton?—Not from Mexico

Mexico that I know of; but there is a great trade carried on by the Americans from the north-west coast of America to Canton.

2151. Do you know any thing of that trade?—Yes; both the voyages that I was in China, several small vessels came there, from 250 to 350 tons, and they had generally furs, and some fine oil, which they sold at Canton, and purchased cargoes and went home to America.

2152. Do you know from what part of America they came?—From Nootka Sound and Cook's Inlet.

2153. Is that trade at present entirely confined to the Americans?—Entirely, because an English vessel cannot go to Canton at all; that was one of the greatest grievances that I saw.

2154. Do not you think that English shipping would, if that trade were open, have the same advantage with the Americans in carrying on the north-west trade with China?—Yes; no doubt about it.

2155. Did you understand that to be a very profitable trade to the Americans?—Yes, very profitable. Several gentlemen that were embarked in the business said it was a very profitable one.

2156. Do you know any thing of a trade between South America and Canton, from Valparaiso and Buenos Ayres?—No, I do not. There is a trade from Manilla to Canton, but they seldom go to Canton, they generally stop at Macao.

2157. Was the Company's Factory any protection to you in carrying on the trade with the Chinese?—Not the least. If the Hong merchants had been guilty of any fraud, or any thing of that kind, I believe the supercargoes would take it up and assist me in that particular, and perhaps interfere with the viceroy.

2158. Do you know of any instance in which the private trade derived any benefit from that sort of intervention?—No, I do not know of any.

2159. Did you ever hear that the Americans or Europeans trading to China derived any protection from the Company's Factory?—Not the least.

2160. Did you ever know of any case occurring, such as you have alluded to, with regard to a Hong merchant, which required such an interference?—I believe there has been such a thing, but not in my time; perhaps one case may happen in 24 years, but I believe it is of very rare occurrence.

2161. You have stated, that when you were at Canton there were several Englishmen carrying on trade there as agents under foreign flags; will you state what was the firm of the house in which Mr. Davison was?—Davison & Co.

2162. Under what flag did they do business?—I cannot say whether it was Danish or Prussian.

2163. What other English houses were there there?—There was Maniack's house; I think they were under the Danish flag?—I think those were the only two English houses.

2164. Do those English houses do a great deal of business?—A great deal.

2165. Was any of it with Europe, or was it principally confined to the country trade?—There was both.

2166. Do you know whether any of the partners of those houses are now in England?—I do not know.

2167. Suppose you had an opportunity of forming your own design for an adventure to China, and being supplied with means, selected such a cargo as you thought suitable for export, and obtained in return a cargo of tea, do you think you could obtain a more favourable result than the Company now does?—I think I could have a more favourable result, because I can sail my ship cheaper, and I have no incumbrance in China, therefore I could sell my cargo equally as well as they could; I could purchase my teas perhaps not quite so well, but I could sell it in England cheaper a great deal than what they could.

2168. Would the difference be great in degree between your result and the result the Company now obtains?—I should imagine I could make ten per cent more than the Company now does.

2169. Do you know now what the profit is which the Company makes?—The Company make, I believe, a hundred per cent.

2170. Then do you think that you could make upon an adventure more than a hundred per cent profit?—No; because if the free trade was open we should have tea cheaper, and the prices would be much less.

2171. Did you not, in the answer you have given, mean to compare your adventure with an adventure by the Company, in case the trade was open?—Yes, in case the trade was open; not at present; but if the trade was open, I am certain

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that I could bring that commodity here, and sell it cheaper than the Company could.

2172. Supposing you obtained permission to send a ship in the present state of things from this country to China, what profit do you imagine, with the present prices of tea in the market here, you would realize upon that voyage?—That would be a thing that I could not estimate.

2173. How do you calculate that the Company gain a hundred per cent profit?—From what I have seen of teas sold at the Cape of Good Hope; and I know very nearly, though not exactly, what they give for them in China, according to what I gave for them myself; they may get them a shade lower, but it is a trifle.

2174. Comparing the prices at the India sales with the prime cost at Canton, should you say that they get one hundred per cent clear profit, after deducting the charges?—I have no doubt of it.

2175. What in your opinion would be the difference in the expense of freight between a Company's ship and such a one as you should think suited to the China trade?—The difference would at least be forty per cent. I could fit my ship out at least forty per cent cheaper than the Company do at present.

2176. Then, if the sailing of a ship in the Company's service cost 14 *l.* per ton, it would cost you but 10 *l.*?—Yes.

2177. Is not your assertion, that you could sell cheaper than the Company, founded upon your belief that they make a hundred per cent?—Yes, it is.

2178. In the sort of adventure that has been spoken of, that is of going out to China for a cargo of teas, is there any branch of that adventure in which you think you would have an advantage over the Company, excepting in the article of freight?—No, only in the article of freight, I should think; but I am not acquainted exactly with what the Company take from this country to China; they take lead, broad cloths, and different sorts of woollens; but it is quite a secret in Canton, we know very little about it.

2179. You have already stated, that you think the Company could deal with the Chinese upon better terms than you could, you think they would not also provide their money there upon better terms than you would?—No, I do not think they would, because you can draw bills upon any respectable merchant living in London; the Chinese would take them with the greatest ease; in fact, the house of Baring & Co. in London was drawn upon by the Americans on as good terms, at least the supercargoes told me so.

2180. Do not you think the private trader would discover many articles that would suit the market there if he was left at perfect liberty, which the Company never dream of?—Certainly; a great many things which the Company never think of.

2181. Do not you think the opening the trade would have the effect of extending the list of commodities in which the trade is carried on?—Yes.

2182. Do you know any reason why the supercargoes at Canton could not find out those articles?—I cannot say why they did not do it.

2183. Have not they, residing there, and having persons in their employment, the very best means of finding out the articles adapted to the Chinese market?—Certainly.

2184. Although the Company's supercargoes are constantly residing there, do you think it probable that the servants of the Company would be as anxious to push their trade as individuals who are dealing for their own account?—No, I do not believe it; I think individuals upon their own account would push the trade much more than it is at present.

2185. Are not you aware that the Company's captains and officers are permitted to trade as merchants to China?—Yes.

2186. Why do you suppose individual merchants would be more active than those captains and officers who are merchants?—We can only draw an inference from what has happened from opening the trade with Calcutta; there is an immense trade now carried on with Calcutta compared with what there was before the trade was opened.

2187. Is it in the power of any Englishman to go into China without leave of the Chinese authorities?—Canton is the only port that is open to trade at all to any person.

2188. Do you consider it possible for Great Britain to permit Englishmen to go into the interior of China?—I have taken Europeans, I have taken a French bishop and his suite, who went into the interior of China; I landed them at Macao, and they were to go into the interior as Missionaries.

2189. Are

2189. Are not the Company's servants, who deal in China on their own account, obliged to confine themselves to the precise voyage which is pointed out by their masters; that is to say, that they can only go where their masters send the vessels to?—Yes.

2190. Have not the private trade on the other hand the power of selecting all the different markets, both of the East, and of Europe, and of America?—Yes.

2191. Must not that unlimited range give them a great advantage over the Company's servants, whose trade is so restricted?—Certainly.

2192. Did not your answer relate to the trade in China alone?—In China alone.

2193. You speak of there being six or seven ports in Cochin China, which are not now frequented, how does the Company's monopoly prevent those ports and places being traded with?—I do not know; the Company has nothing to do with that, it is an arrangement by the Chinese; they do not suffer any other port to be opened but Canton.

2194. Did you mean to say that those ports to which you alluded are not traded with in consequence of the monopoly of the Company?—No; the Chinese prevent it themselves, and the Cochin Chinese. The whole range of the coast, as far as Siam, is under the Chinese government, but only nominally so.

2195. Upon the occasion when you sailed along those harbours in Cochin China, do you think the native authorities would have permitted you to enter if the Company had given you leave?—That I do not know; I did not like to try that.

2196. Are there not various products of the Eastern Archipelago which are fitted alone for the China market?—There are; there is trepan, which the French call bêche-le-mer, and birds nests.

2197. Are you aware whether the trade carried on with the Eastern Archipelago in the articles you have alluded to is a considerable trade, or not?—It would be very considerable, to small vessels particularly if they could take in those articles I have mentioned; also sandal-wood, which is taken to the Chinese market, and is a very profitable thing.

2198. Are not the country ships of India allowed to trade with Cochin China from Calcutta, so far as the English government are concerned?—At that time they were not; our license only allowed us to go to Canton, and we cannot trade with any other ports except what our license allowed.

2199. Do not you know that a license could be obtained in Calcutta to trade to Cochin China?—I do not know.

2200. Is a license ever drawn out for a voyage without specifying a particular port?—No.

2201. Do you think you could not have obtained a license empowering you to enter any port upon the Cochin Chinese coast?—I have always been given to understand so.

2202. Do you ever get a license to touch and trade at various ports?—No; the license runs thus, 'to go to Canton, and to touch and trade at any intermediate port between there and Calcutta, outward and homeward,' but that is only to the country vessels.

2203. Would that license include the ports upon the coast of Cochin China?—Yes; but I have always understood that we could not trade with any port of Cochin China.

2204. That is, that the Chinese government will not suffer it?—Yes.

2205. Are not you aware that the country ships might clear out for any part of Cochin China if the local government would permit it?—I am not aware of that.

2206. Do not you think there would be much more probability of overcoming the prejudices of the Chinese in regard to intercourse with Europeans at other ports than Canton, if the monopoly of the East India Company were done away with?—No; if the monopoly of the East India Company were done away with, it would make no difference whatever, I believe, or alter the Chinese policy at all.

2207. Do not you think that the enterprize of private traders would induce them to go to other ports, and that the Chinese would see the advantage of taking their goods, and trading with them?—They might in the course of time, but at present I should think not; an embassy sent into China for the purpose, might perhaps do away that prejudice, but not any thing else done by individuals.

2208. Do not you think the Chinese would see the interest they had in selling their goods?—No doubt they do see it; they know it very well; but the government is so very arbitrary that they cannot do it. The best informed Chinese that ever I met

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with, said, that if all the ports in China were thrown open, it would be a great advantage to the Chinese.

2209. Have you heard that opinion generally expressed by the intelligent Chinese?—I have.

2210. As the government seems to possess so little power to put down smuggling, is it not to be supposed that they would not be able greatly to control what is done at those ports?—I believe that is the reason for allowing Canton to be the only port that is open.

2211. What do you think would become of any vessel that went into any port but Canton?—They would imprison the crew, and take the ship away from them.

2212. Although it is a great advantage to the Chinese to trade, you think they would lay hold of the crew of any vessel that went to seek trade there?—I have no doubt of it, because it is prohibited.

2213. Has any instance come to your knowledge of any European vessel having gone to any other port than Canton?—None, except Macao.

2214. Have you been much in the way of hearing of instances of the sort, if they had occurred?—I have been in that part of the world upwards of 30 years ago, but I never knew an instance of a ship trading to any other port over which the Chinese have any control whatever.

2215. Might not such a thing have taken place without your knowing any thing about it?—I think I must have known it.

2216. Have you met with a number of Chinese junks in the course of your voyages there?—Yes.

2217. Have you ever had any dealings with any of the people in the junks?—No, I never have; but those junks now have found their way to Sincapore. There are great quantities of them come there directly from Canton, and they come, as I am told, from some of the ports of Cochin China to Sincapore.

2218. You stated that the port-charges at Canton, excepting the cumshaw, were in proportion to the measurement of the vessel; do you then consider that, except in respect of the cumshaw, there would be no difference in the advantage between navigating a small and a large ship, as far as the payment of the port-charges are concerned?—There may be some charges, as far as regards the linguist, or the compradore's fees; but, generally speaking, I believe there is no difference except in the cumshaw.

2219. You said that saltpetre was smuggled into China, because it was sold to greater advantage than if sold to the government; do you mean by that, that the Chinese law forbids the sale of saltpetre openly to any person except to the government?—Yes; they do not allow it to be sold except to the government.

2220. Do you conceive that if the Chinese trade were entirely free it would be a beneficial measure to the natives of British India?—I do not know that it would be more beneficial to them than it is at present, but I think it would be a great benefit to the United Kingdom.

II.

MINUTES OF EVIDENCE.

8th March—18th March 1830.

Lunæ, 8° die Martii, 1830.

WILLIAM WARD, ESQUIRE, IN THE CHAIR.

Captain *Richard Alsager*, called in; and Examined.

Captain *Richard Alsager*.

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2221. WHAT is your profession?—I have been nine voyages in the Company's service as an officer, and five as a commander. The last ship I commanded was the Waterloo, and previous to that the Grenville.

2222. What was the tonnage of the ship you formerly commanded in the service of the East India Company?—The tonnage of the Waterloo is 1,300 tons and a few over.

2223. Is there any advantage in having ships of that class for the China trade?—Very great indeed.

2224. Do they pay the same port-duties in China in proportion to their tonnage as smaller ships?—I think the average of the port-dues on a large ship came to about 20 *s.* a ton; I think upon ships of 500 tons, they would come to about 2 *l.* a ton.

2225. Are the ships in the Company's service made available for carrying troops and other territorial purposes?—They are very convenient and healthy; and standing high out of the water, there is always room, and plenty of air.

2226. Have the governments of India employed them in war?—Several times; I have been fitted out under Captain Birch; we have mounted 44 guns; we considered ourselves then equal to any frigate.

2227. How did they answer as ships of war when so employed?—Remarkably well; they have several times distinguished themselves. When Captain Bulteel went out in the Belliqueux to India he fell in with three French frigates on the Brazil coast, one he attacked; he sent two Indiamen after the Medea, which struck to the Exeter; the Bombay Castle coming up, the third was attacked by the Warley, and escaped by throwing her guns overboard, and cutting some of her beams through: that was in 1800.

2228. If the same quantity of tea was brought home in smaller ships during the time of war as the Company have been in the habit of importing, could they have been protected by the convoys which the Government appropriated for the protection of the Company's ships?—If they were in a smaller class of ships, say 500 tons, for example, it would take four ships to bring home one cargo such as is brought in one 1,300-ton ship; consequently if 20 ships is the regular number of our season, it would take 80 to bring home the same quantity of tea. I should think small ships scatter wide and far from the convoy, and the ships of the Company are able to protect themselves in some measure, and they are more obedient to the orders of the convoy, exclusively of their being able to protect themselves individually without any other protection.

2229. Is the discipline good in the Company's ships?—I think they are in the highest state of discipline, and such as to call for the commendation of gentlemen of the navy on several occasions.

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2230. Why would one vessel of 1,300 or 1,400 tons carry as much tea as four or five vessels of 500 tons?—There is a greater capacity of hold; they take the cargoes regularly; they are of such immense extent that there is less breakage and less damage.

2231. What would be the rate of insurance, under corresponding circumstances, of a large vessel and a small one?—There is not any difference made at Lloyd's, except preference, and sometimes the underwriter gets a policy of more risk tacked on to the supposed less risk in the Company's ships.

2232. How many ships homeward bound with tea have been lost in your experience?—I have no recollection of any since the Ganges, which I think must have been in 1806 or 1807.

2233. Where was the Ganges lost?—She foundered off the Cape; she was a ship that was built with scantling not equal to her size, and she was repaired at Bombay after having sprung a leak.

2234. How many ships have brought tea homeward since 1806?—I think the average is from 21 to 23 or 24 of the class of 1,200 tons.

2235. Then there have been about 500 ships in that period?—About that number.

2236. You attribute this small proportion of casualties to the superior quality of the ships?—Yes; and the care that is taken in their outfit.

2237. Supposing that the trade required 20 ships of the size which you have stated, and that of a smaller class 80 would be required, what, according to the least calculation of freight, would be the tonnage of the 80 ships; would it be a larger or a less charge of freight?—As a matter of calculation I should think the expense of the smaller ships would be less, exclusive of the advantages attending the large ships in themselves.

2238. By what calculation do you come to that conclusion?—There is a great facility in the large ships in receiving the cargo as it comes alongside; it is sent from Canton in boats containing 500 or 600 quarter chests of tea; in the large ships they are taken in and put into their place immediately, for there is a greater extent of space to stow them, and they are not moved again.

2239. Would not the freight upon the large ships come to a smaller sum of money than upon the smaller ships?—The average freight of a large ship at present to China varies from 20 *l.* to 22 *l.* a ton out and home, taking it to India and China. The tenders are by open competition, and the lowest tender is always taken.

2240. What would be the freight of a smaller ship?—I have never sailed in a smaller ship, and therefore I am not capable of judging; but with the harbour expenses in China of 2 *l.* a ton, and the various equipments, I can hardly conceive they could do it under 16 *l.* a ton, paying all charges.

2241. Then would it be cheaper to employ large ships or small ones?—In a pecuniary point of view I should think the smaller would be cheaper.

2242. What would be the insurance of a vessel of the large class?—I have paid myself 6 *l.* per cent insurance out and home upon the double voyage.

2243. Was that in peace or in war?—During the present peace; I have only commanded ships since 1817.

2244. What would be the insurance during war?—Twelve guineas per cent.

2245. Do you know whether the Americans introduce, by smuggling, articles into consumption in China?—I have not seen it, but I have not the least doubt of it.

2246. Do you think they could supply that market with benefit, by means of smuggling, which the Company do not engage in?—Under the shadow of the Company I think they do often.

2247. Do you mean that the Company assist in smuggling?—No, I do not; but they make use of the Company's name; they have not the Company's sanction, but goods are made up as woollens in the shape of Company's bales, the Company's marks are on them, and they are passed as Company's bales when they are not so.

2248. Where are the goods unshipped?—At Whampoa; all ships unload at Whampoa.

2249. Have

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2249. Have you known any instances within your own observation of this practice?—I have seen a bale or two in the Chinese merchants' hongs that had been passed as Company's bales that were American.

2250. That you knew to have been American?—They were pointed out to me as American, and they were not quite correctly marked, and I have not the least doubt that they were American.

2251. Is it the general practice with the Americans to dispose of their outward investments and manufactured goods with a view of smuggling into China, and by whom are they smuggled?—I am not aware that the Americans smuggle cargoes into China; they trade openly like other traders to China, except in opium. Opium is a prohibited article, but I am not aware that the Americans are under any necessity of smuggling.

2252. Do they not dispose of their cargoes to the Hong merchants, who smuggle them?—I am not aware of that.

2253. What did you mean by stating that the Americans smuggled under the shadow of the Company?—If I made use of the word smuggle, it is perhaps stronger than I am entitled to use. I do not mean that they evaded the duties in China, but that the parcels were made up in the shape of the Company's goods, and sold as such when they were not so.

2254. Are you aware that woollens sent out by other ships are not of the same quality as the woollens sent out in the Company's ships?—There is not that care and attention; they are often Company's rejected goods that are taken out by individuals.

2255. How do you know that they are not so good?—By seeing some of them opened sometimes, and knowing that goods that have been rejected have been offered to me as a merchant, and the same goods I have known to have been sent out.

2256. Can you state the year when that occurred?—It is not confined to one year.

2257. Can you give the Committee any instance of it?—In 1819, in 1821, and in 1823.

2258. Were those goods offered to you at a lower price than the Company had stipulated to give?—Being rejected by the Company they were thrown back upon the merchants hands, and they were willing to sell them for what they could get.

2259. Was the merchant who offered them to you in England?—Yes.

2260. Do you believe that the goods rejected by the East India Company afterwards find their way to China, and are sold?—I have not the least doubt of it.

2261. Are you aware whether they are sold for less than the Company's goods?—Some I have known sold equal, without the bale being opened, with the Company's mark.

2262. How can they have the Company's mark if they were not exported by the Company?—To a Chinese it would appear to be the Company's mark; there is a heart and 4; instead of a V there is an I; there is a C or an L instead of an E; but to the Chinese the English characters are unknown, and the appearance of the mark is the same to them, though not really so.

2263. So that they have not the Company's mark in reality?—No; but it is what, at a short distance, a European would take to be the Company's mark.

2264. With this facility of imposition, is the Company's mark of any great importance in the Chinese market?—It is a guarantee to any bale that has the mark upon it.

2265. If an imitation can be so easily effected as to impose upon the Chinese, can the real mark be of any great importance in the Chinese market?—Experience may prove that they are mistaken in this mark, and they may begin to analyze it. I am speaking now of the early part of the time when they took for granted that it was the Company's mark.

2266. Have the cases of deception to which you allude been numerous?—If one or two came under an individual's observation like myself, who had a great deal to attend to, I think they must be numerous.

2267. If they are numerous, what importance can you attach to the Company's mark?—I myself, as an individual, attach every importance to it, and those who are in the habit of dealing with the Company know it.

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2268. You attach importance to it because you are able to distinguish the genuine mark from the forged mark; but with respect to the Chinese, whom you have stated as being incapable of making that distinction, what importance can they attach to the Company's mark?—They take them all to be the Company's mark, and they are taken up the country with that mark on them.

2269. If they are taken up the country with the forged marks as well as the real marks, is there any importance attached to the real marks?—I can only say that they are all taken up as real.

2270. Supposing a case occurred in which the Company's mark, either in reality or in imitation, were not upon a bale, would it pass current into the country?—I think it would be opened.

2271. How many pounds of tea do you reckon to be carried by the ton in a large vessel?—The black tea and the green are different, the green tea being more bulky and lighter; 900 cwt. I think of black tea.

2272. What difference is made in the freight in consequence of going to India instead of proceeeing direct to China?—There is generally a deduction of 30 *s.* per ton for the circuitous route; 30 *s.* are deducted for the double voyage between the two intermediate ports.

2273. Are the Committee to understand that the Company can send a ship loaded with troops to Madras, and thence to China, for 30 *s.* less than sending it direct to China?—Thirty shillings more.

2274. Supposing a ship to sail direct to Calcutta, and another direct to Canton, would there, or not, be any difference in the freight?—The freight to Calcutta would be less than the freight to Canton, because there are so many harbour-charges in Canton; but what the difference would be I could not say.

2275. Would there be any other difference than the harbour-charges?—I am not aware of any other difference; they are very heavy.

2276. Do you know the present amount of freight to Calcutta?—I have seen such variety that I can hardly quote any criterion.

2277. You have stated that upon a large ship the harbour-charges at Canton would amount to 1 *l.* a ton, and upon a smaller ship, 2 *l.* a ton; will you state what the items would be?—The Chinese measure from the centre of the foremast to the centre of the mizenmast, and from outside to outside; the depth is not mentioned. There is a great space in a large ship between the centre of the foremast and the bows; there is also a large space between the centre of the mizenmast and the stern, which is not measured, and there is a depth of 17 feet in the hold, whereas a small ship has only about 12 or 13.

2278. The difference then arises from the large ship not being sufficiently measured by the Chinese?—There is a greater space unmeasured.

2279. You have stated, that there is a great advantage in carrying on the trade in large ships; supposing that to be the case, why could not the private trader carry on his business in large ships also?—The officers of the large ships are trained up for several years; they sail in the different grades during their various voyages, till the time they arrive at the command; they are better capable of undertaking the responsibility and the care of the concern than an individual put in there at once would be.

2280. Can you state whether the officers of the Company's ships import teas from India to China?—They do in their private investments.

2281. What quantity of tea does a captain import?—He is allowed 56 tons upon a ship of 1,200 tons.

2282. What is the chief mate allowed?—They are all stated in the book of regulations; I think 103 is the sum total of the commander and officers.

2283. From whom do the officers of the Company's ships purchase their tea?—Generally of Hong merchants, if we can get them.

2284. Do you often find difficulty in getting them from the Hong merchants?—Not a great difficulty; we like that the person who secures our ships should buy our cargo.

2285. Do they often purchase tea from the outside merchants?—I have never purchased tea from the outside merchants. I have heard that officers have done it sometimes for barter, at great risk, and at great loss in quality; when they have returned to China, the person has not been found that they bought the tea from.

2286. Are

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2286. Are all the younger officers competent to the management of that transaction?—The duty of their office requires too much attention generally for them to engage much in trade; and, as such, generally the commander has paid them a certain sum for their investment.

2287. What does he pay, commonly speaking, for their tonnage?—It varies according to the amount of investment in China, and the difficulty of remitting home from 20 *l.* to 40 *l.* a ton.

2288. Has it ever been higher than 40 *l.* a ton?—I have never paid more.

2289. What is the amount of per-centage paid by the Company's officers to the Company?—I do not know; upon the ton it is about 25 per cent.

2290. Was it not larger formerly than it is now?—It was 33 formerly.

2291. When did the reduction take place?—I am not very competent to speak to the time; I suppose ten years: it was previous to my being a commander.

2292. Can you state the amount of the tea annually exported by the officers privilege?—It varies very much; because an officer that has a large capital cannot afford to invest his capital in tea, because tea embraces but a small sum.

2293. Did you ever know it amount to 2,000,000 of pounds in any one year?—I cannot answer that.

2294. Have you ever had any bad tea delivered to you?—I have always dealt with the Hong merchants, and I have never had any bad tea. I have been very fortunate in that respect. A number of my brother officers that have dealt with the outside merchants have suffered greatly from having bad tea.

2295. Will you mention an instance in which an officer has had bad tea sold to him by an outside merchant?—I think I recollect Captain Nairne is one.

2296. In what year was that?—1822 or 1824, I believe.

2297. Where is the tea so brought by the officers sold?—At the East India Company's sales.

2298. How soon after the arrival of any ship is the privileged tea disposed of?—At the very first quarterly sale afterwards.

2299. Have you ever known any of the privileged teas refused by the buyers?—None of my own; and, speaking personally, I know of none; I have heard of others, but I cannot speak to individual cases.

2300. You cannot then speak of the extent of it?—No.

2301. Do you consider that privileged tea is of better or worse quality than what is purchased by the Company?—We are very often glad to take what the Company has rejected, and I think the tea is a grade lower.

2302. Does it sell for less in the sales at the India House?—Sometimes we buy it in smaller boxes, and that is an advantage; but I think, generally speaking, it fetches rather less than more.

2303. Do you deal entirely yourselves, or do you deal through the Company's Factory in China?—Entirely ourselves.

2304. Could you state, upon an average of your several voyages, what profit the tea so imported by privilege has given?—The last voyage I gained but little or nothing by the tea; that is, if I reckon the dollar at 5 *s.*; the dollar is considered as current at 5 *s.* in Canton, though it is worth only 4 *s.* 1 *d.*; but if we make it 5 *s.* home, we consider ourselves fortunate. We sell our outward investments by the dollar at 5 *s.*, and then if we get our money home at 5 *s.* we consider ourselves fortunate; this last time I scarcely did that.

2305. If the dollar is only worth 4 *s.* 1 *d.*, and you get it home at 5 *s.*, is not that getting a profit of nearly 25 per cent?—Then we reckon the same upon the outward investment upon the dollar when it is not so.

2306. Then in reality taking the pound sterling you disburse, and the pound sterling you realize, what is, upon an average, the profit of the privilege trade?—If it is 10 per cent upon the money invested I consider that a very good return indeed.

2307. Have the woollen goods you took out been profitable or not?—By no means; I have lost by them.

2308. Were the goods that you lost by the rejected goods of which you spoke?—Some were.

2309. Are the rejected goods of the Company commonly to be bought in London?—I think they may be.

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2310. What is the sort of tea that the Company's officers generally bring over?—It varies according to the individual's choice.

2311. Is it commonly tea of the lower price, or of the higher price?—Lately it has been the lower price; some time ago it was rather in the highest-priced teas; but people do not buy the highest priced teas now.

2312. When you say you are content with 10 per cent profit, what allowance do you make for the freight in that?—If I purchase freight, I reckon that in as charges of merchandise; if it is my own privilege, I do not reckon it.

2313. How do you reckon it?—I reckon it in the privileges and allowances of the voyage.

2314. So that, even including your privilege of freight, still your voyage does not give you more than 10 per cent?—I am speaking of the bringing the tea home. If I speak individually, I have been more fortunate than perhaps I deserve: there are other individuals who have suffered, and perhaps lost money by it; I should say the average does not admit that.

2315. You mean to say, that according to your judgment, and what you have heard from your brother officers in the same trade, 10 per cent is as much as is made home, throwing in the freight for nothing?—Yes, I should think it was. If I brought forward unfortunate instances, there are several commanders who have gone there four or five voyages, and they are bankrupts from having been unfortunate in their trade. I should think that where one man has succeeded, five almost have failed in making that.

2316. Notwithstanding they had a great portion of the freight for nothing?—Yes.

2317. How comes it that the Company, paying a very heavy freight, make a very profitable trade with China, while their officers, who do their own business, getting the freight for nothing at all, should make it answer so ill?—We have a large accumulation of goods sometimes in China that we are glad to sell; and there is a difficulty in remitting our money home; we have more capital generally than we can put in our privilege, therefore we are very glad to select those articles in which we can invest the greatest sum.

2318. You have stated that the average freight of ships is from 20 to 23 *l.*; are you aware that there are ships now employed by the Company receiving 27 *l.* a ton?—I am not aware of it.

2319. You have commanded one of the Company's own ships?—I have.

2320. How many ships have they?—Eight.

2321. Are you aware what is the rate of freight per ton, out and home, on the Company's own ships?—No, I am not aware.

2322. Do you suppose they sail cheaper than they could be contracted for?—I am not prepared to answer upon that point.

2323. You have stated considerable losses which have been suffered by commanders of those ships; can you state whether, upon a voyage to China, a commander of a Company's ship is not expected to make from 10,000 *l.* to 20,000 *l.*?—I have heard of such things; I do not believe them; I had no experience to that extent myself.

2324. Have you never heard that 30,000 *l.* have been made?—I have heard of men speculating in a particular article, by which they were either ruined or made; but I do not consider that a criterion of the general merchant.

2325. Could you give the Committee any idea of the average of five voyages?—A double voyage is considered a great advantage, from the circumstance of getting passengers, and turning our capital three times; and, generally speaking, I should say, if a commander were on those voyages to clear 5,000 *l.*, I think he is a very fortunate man indeed; but I should say there are many that do not make that.

2326. Then you mean to say, that upon the average of the Company's larger ships, as far as you know, the commanders do not make 5,000 *l.* a voyage?—I should think not; we are traders singly upon our own capital, and perhaps we are not very communicative about it, but that is the impresion upon my mind.

2327. Have you been from Bombay to China?—I have.

2328. What portion of the freight are you, as commander, allowed from Bombay to China?—Two fifths of the ship.

2329. How

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2329. How many tons will that be in a 1,300 ton ship?—About 500 tons.

2330. What is the rate of freight per ton you receive upon cotton?—There is a deduction on the part of the Company of 2 *l.* per ton from the privilege allowed to the commander. I have been very glad to get a little freight, if I could, to fill up this privilege; but generally speaking I have lost by the cotton from Bombay to China.

2331. What is the highest freight you ever got for Candy?—Thirty-two rupees, (the Bombay rupee is only worth 1 *s.* 8 *d.* to 2 *s.*)

2332. That is about 64 rupees a ton?—About that.

2333. That would leave, after the deduction of 2 *l.* per ton, 4 *l.* per ton profit, which on 500 tons would be 2,000 *l.*?—Yes; but to get a little freight we are often obliged to buy cotton, so that I have had half freight and half purchases; the latter I have lost by.

2334. Is that every voyage, or only occasionally?—I lost two voyages out of three.

2335. How do you account for commanders being so very anxious to obtain double voyages when they lose by them?—There are more opportunities of gaining.

2336. Is not a double voyage the first object to be obtained from the court?—No doubt it is, because it gives you three opportunities instead of one.

2337. But in your opinion they are very often attended with loss instead of gain?—I know it.

2338. You have stated certain advantages which a large ship had in the China trade; do you consider a 1,200-ton ship more convenient to go up the Canton river than a 500 or a 600-ton ship?—The Company's class of 1,200-ton ships are fully equal; they are handy and manageable; and I have never known any accident happen to them in going up. I have gone up sometimes without a pilot.

2339. Does not a 600-ton ship load entirely at Whampoa?—She would do it; but as they have to pass the bar, they often take in their water and provisions below. A large ship could do the same, but it is not prudent to do so. I have known them fill up at Whampoa, with the exception of the stores; but generally speaking they go with a light draught of water, to avoid risk.

2340. Do you consider it any disadvantage in a large ship not being able to load or unload at Whampoa?—It is very trifling; I think the difference is not to be mentioned; a ship could, if she chose, take her entire cargo in there. I have gone over that bar, having 25 feet water; our ships, when they go down, at the utmost draw 21 or 22 feet, so that there are three feet to spare; but lest there should be any stoppage, it is not considered prudent to load till after they have passed the bar.

2341. Since you have been trading to China have you not seen a class of very large country ships at Canton?—I have seen several ships that were afterwards in the Company's employ.

2342. Are you not aware that the practice now is to use smaller ships, and that they now employ 500 to 700-ton ships?—There are several of the larger ships that have disappeared from the market.

2343. Are you aware that the Americans had one or two ships of 1,000 or 1,200 tons to China for a few voyages?—I recollect one.

2344. Are you not aware that they have also given up that practice?—I am not aware of that.

2345. Did you never hear in India the reason why the builders and merchants in India have reduced the size of ships trading to China?—No, I have not heard it mentioned.

2346. You do not suppose then that it is owing to the large ships being found inconvenient?—I have never heard so; from all I have seen they like the larger ships; I never heard any objection to them.

2347. Have you any doubt that if they found it more profitable to use larger ships than smaller ships, the use of the larger ships would have continued?—Whether the demand for produce was the occasion of their being smaller I cannot say.

2348. Would not the demand measure the profits?—I should think every individual is guided a good deal by his own speculations.

2349. If the majority of individuals have abandoned the larger ships for the

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smaller, in this branch of trade, have you any doubt that they found it more profitable to use the smaller?—I can only judge by my own experience; I am speaking of the advantage of the large ones.

2350. Were you ever on board any of the ships that had been freighted to take teas to North America?—I have seen them, but I have not been on board of them.

2351. Of what size are they?—About 500 to 600 tons.

2352. Do you know what freight is paid?—I think that the two last ships were 600 tons, the Lord William Bentinck and the Kennaway; they were taken circuitously, and they returned by way of China. I think they were rated at 10 guineas per ton home from China.

2353. Then it appears that the Company are freighting ships at 23 *l.* a ton, and the other ships are going at 10 guineas?—The breakage and damage is very great in small ships; 23 *l.* are out and home; 10 guineas merely from China to America.

2354. Have you ever seen any return of the amount of breakage and damage in small ships of 500 or 700 tons, as compared with that of your larger ships?—No. In the Waterloo's cargo, that I commanded for four voyages, the average had not been 10 chests a voyage out of about 14,000. In a smaller ship I once was an officer in, the old Britannia, and there the damage was very great; she was a 770-ton ship of the old class; the damage was from breakage, and the small space that there is to stow the tea cargo in. The less the tea cargo is removed the better; and in our larger ships the tea is placed immediately where it is intended to remain for the voyage. In a small ship the boat comes alongside with 500 or 600 chests of tea that must be taken out of the boat; it is placed upon the deck ready for stowage, and it is frequently moved five or six times before it is stowed away.

2355. Then the damage arises from their taking the boat alongside, and not keeping it there till the cargo is properly stowed?—They must not keep it alongside longer than the day, except at an extra charge.

2356. What is the ordinary size of the boats that carry them?—About 500 or 600 chests.

2357. Then one considerable advantage of the large ships is the facility of stowing rapidly the tea taken on board?—It is very great indeed.

2358. Are not the owners answerable for the damage?—I believe they are.

2359. How does it signify to the Company if they get the quantity of tea they send home, and the owners pay for the damage?—It is advantageous to the Company to have their teas home, and it would be a great loss to the owners. If it exceeds 3,000 *l.* the damage comes upon the Company.

2360. Are you aware that in the large ships the damage ever amounts to 3,000 *l.* in one cargo?—I have never heard, except by accident.

2361. Have you ever heard of any such proportion of damage in any of the small ships that have brought tea, having gone circuitously by New South Wales?—I have merely heard indiscrimately that the damage was greater in the two small ships that I have spoke of, the Lord William Bentinck and the Kennaway, but I had not the precise quantity.

2362. Why do the Company give 20 *l.* or 23 *l.* a ton for one ship, when they can get another for 10 guineas, and when the damaged tea is paid for by the owners on coming home?—When the Company open tenders for ships, the lowest tender is taken, I suppose; if they could afford to sail them lower they would tender lower.

2363. Are you not aware that that depends upon the conditions offered by the Company as to the equipment, of the number of men, the number of guns, and the quantity of stores?—Certainly, I am aware of that.

2364. Is it not the case, that the ships which you have stated to be freighted at 10 *l.* from China to the North American colonies, have the advantage of taking what freight they are able to New South Wales, or any intermediate voyage?—I suppose that in their calculations they reckoned up what they expected to make in their intermediate voyage, when they made the tender for coming from China.

2365. What proportion of freight do you think a ship would earn on such a voyage?—I am not prepared to say; I have not made any calculation that bears upon that.

2366. Would the Company hire a ship to go direct to Canton and come back to America at the freight which you have stated, of 10 *l.* a ton, supposing that she

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gained upon the outward freight?—I am not aware what the tenders of the Company were. I have now been retired from their service about four years, but I believe they have been reduced nearly every year.

2367. Have not also ships bound on such voyages the advantage of freight from North America to England, or any other ports?—No doubt that enters into the calculation, because several of them have brought timber home; but I cannot speak of that, having no local knowledge of it.

2368. Do not those intermediate freights operate so as to diminish the charge of freight from China to North America?—What calculation the owners make I am not aware; but of course they calculate those advantages when they put in for the lowest tender.

2369. Are they not advantages which enable a ship to be hired at a small rate? —If I could get 2 *l.* per ton from America, of course that I should reckon an advantage exclusive of the tender I made to the Company.

2370. Is not any voyage which those ships may make in their return to America entirely a new voyage; and may not a ship returning to England just as well take into her calculation any new voyage she may undertake either to America or elsewhere?—I think she reckons in every advantage during her voyage from the time she leaves England till she returns again.

2371. Having made one voyage, is a ship-owner entitled to calculate any subsequent profitable voyages which the ship may make, totally unconnected with the voyage in question?—They may enter into specific agreements to take teas from China to America at so much a ton, and the remainder of their voyage is entirely at their own command.

2372. Are you aware that the Company have three classes of equipment for their ships; the full equipment, which is called the Company's regular ships; the second equipment, which consists of ships taken up after their voyages are out; and the third equipment of smaller ships taken up for individual voyages; will you state what constitutes the difference of those classes as to equipments, first, for instance, in the number of cables and the number of sets of sails?—I will commence with the Waterloo, which was under my command; she carried 36 guns; there is room for more, but 36 is the number she carries; in peace she carries 130 men as her complement, and five to cover casualties, and 10 marine boys.

2373. Are you aware how many she carried in war?—She was built after the war was concluded; I should think she would carry about the same, unless there were some special service.

2374. Then the Company continue the same number of men and guns in their ships in time of peace as they did in time of war?—Just the same.

2375. Do the ships carry their guns in the hold?—It is against all rule, and strict orders of the Company.

2376. How many is that per ton?—One man for every 10 tons.

2377. How many suits of sail did you carry?—We have always one quite new, one nearly new, what we call one third worn, and the other that has been the previous voyage, and is what we call half worn; there are three complete suits of the principal sails.

2378. How many cables?—We have always two new hempen cables every voyage, and we have lately been in the habit of using an iron cable; there are generally three that have been the previous voyage, and an iron cable, six cables in all.

2379. What number of guns and what number of men do the second class of ships take, those that have gone their voyages, and that are taken to go one or two voyages more?—There have been various reductions, and I am not competent to speak to the extent of them, but of some that were taken up upon a reduced scale, the 1,200-ton ships were reduced to 80 men, and the officers were also reduced, but I cannot say exactly to what extent.

2380. Were not the stores and other equipments reduced in proportion?—They were; and there was not that attention to the new equipment.

2381. With respect to the third class of ships, from 400 to 600 tons that they take up, are you aware what proportion of men per ton, and of stores, they bear to those you have stated?—I am not competent to answer that question.

2382. Are you not aware that they are considerably lower?—The proportion to China, I should think, on the large ships would require very nearly 10 men per 100 tons, I suppose it would be six men per 100 tons upon some of the smaller ships.

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2383. What purpose do you understand is gained by carrying as many men in time of peace as in time of war?—Our voyages are long, and we are not aware what changes may take place between our sailing and our arriving, and we are at all times ready and prepared for war.

2384. Do you mean that the establishment of an Indiaman is the same now as it was in the year 1815?—The same.

2385. Do you carry the same proportion of ammunition, gunpowder, balls and so on?—The same.

2386. Have you ever seen any ships in China without any guns?—Not Company's ships, except those that have been taken for one voyage.

2387. Are you aware whether the ships to Canada carry any guns?—I am not aware what guns they carry.

2388. Have you ever known any of the Company's ships captured by pirates?—Never; I was in China as chief officer of the Grenville, a 900-ton ship, at the time when Lord Amherst arrived in China, and there was only an American ship there besides ourselves; and I was applied to by an American in a small boat to say that his ship was in a state of mutiny, and that they had taken the ship from them; that the commander was confined; he had jumped out of the stern window into a boat, and he had come to me for relief. I thought the best way was to take a force sufficient to quell them without more resistance, therefore I went with two quarter boats and regained possession of the ship; I then asked the commander what I should do with the mutineers; he said he wished to have them set on shore; I would have taken them myself, for they were stout men, and only wanted a little better management; but my captain was in Canton, and I could not do it without his permission; I therefore landed them on French Island, opposite Whampoa. That ship could not get secured till those men were taken up to Canton. I should remark, that the Factory thought I had taken rather a responsibility upon myself in setting those men on shore; but I thought that in a case of mutiny I must be guided by my own feelings, and to relieve the ship and the officers from danger was the first consideration, and therefore I only required a letter from the commander, exonerating me from responsibility in what I had done.

2389. Where did you set them on shore?—At French Island.

2390. Will you have the goodness to read the letter?—The letter is addressed to myself, from Mr. Law, the supercargo of the Lion, and it enclosed a certificate of two American gentlemen, passengers on board the ship; the letter of the supercargo is as follows:—

"Sir,—Captain Champlin will have a declaration addressed to you, and signed by the two American gentlemen who were on board the ship Lion, at Whampoa, when the mutiny took place on the 13th instant, and who entreated your assistance (by request of Captain Champlin) to retake our ship from the mutineers, and liberate the officers, together with myself, then confined in the cabin. The facts stated in the declaration above alluded to were all well known to me, and your very friendly compliance with the request of Captain Champlin, in putting us in possession of our ship and landing the mutineers, demands my particular thanks and acknowledgments, which I beg you will accept, and present the same to the officer of your ship who accompanied you. I remain your obliged and most obedient servant, *William Law*, Supercargo of the ship Lion. Canton, June 28th, 1816."

The certificate which accompanied the letter was as follows:—

"We the undersigned citizens of the United States of America do hereby certify, to all whom it may concern, that on the 12th day of June 1816 we took passage on board the ship Lion, Captain Adam Champlin, of New York, from Macao for Whampoa, where said ship arrived and anchored about two o'clock P.M. on the next day, and that at about four o'clock of the same day, while we were on board, a most serious mutiny took place, part of the crew of said ship refusing to do their duty, and when the said Captain and other officers of said ship attempted to enforce obedience, they were attacked with handspikes and other weapons in a most daring and outrageous manner, and driven from the deck into the cabin, after having received several wounds; thus the ship was in possession of said mutineers. The undersigned during the affray escaped from said ship on board some Chinese boats, and being requested by said Captain Champlin we went on board the H.E.I. Company's ship Grenville, and asked for assistance to regain possession of said ship Lion; that accordingly Mr. R. Alsager, chief officer of said Company's ship, with

two

two boats crews and one other officer, returned with us on board the said ship Lion; finding her officers still confined to the cabin, and the mutineers in possession of the decks; that said Mr. R. Alsager, by request of said Captain Champlin, and for security of said ship Lion, took out ten of the seamen concerned in the mutiny, and set them ashore at French Island (so called), which measure was in our opinion necessary and justifiable in said Captain Champlin, by whose request and particular desire every act of said Mr. R. Alsager was authorized and executed in the most prompt and friendly manner. In witness whereof we now address this testimony to the said Mr. R. Alsager, at the city of Canton, this 23d day of June 1816.

" *George W. Sturgis. Philip Ammidon.*'

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2391. What was the name of the ship?—The Lion.

2392. How many tons was she?—Between 400 and 500 tons.

2393. How many men had she on board?—I think two or three and thirty; I took ten out of her, and left them on French Island.

2394. Have you ever known any other case of that kind with the Americans?—No, I have not; this occurred in my own knowledge; I have no account of any other mutiny taking place in the river.

2395. Have you ever known any mutiny or disturbance on board any English ship during the time you have been there?—I have never seen one.

2396. Have you ever heard of any American ship having been captured by pirates in the China or Indian sea?—There were one or two small ships seen about Banca or Gaspar, a little previous, and not heard of afterwards, and it is supposed they were taken by pirates; and I have seen the wreck of a small ship at Banca, that was said to have been taken by pirates.

2397. Is it not frequent that country ships have been lost in that way?—Not frequently, there have been cases of it.

2398. Do you know the names of the two American ships that you think were lost in that way?—No, they were low ships.

2399. Were the ships trading with China?—I cannot exactly say; the ship I have spoken of, in which the mutiny happened, was a regular China trader, but I do not know with respect to the others.

2400. Have you any doubt whatever that the high freight paid by the Company for their ships depends entirely on the large equipment they are required to keep up?—That equipment must be a great consideration with the owners.

2401. What is your opinion, as a seaman of many years practice, as to the necessity of keeping such large equipments of stores of every kind, judging from your own experience of what were brought back and what were used?—Very often during the voyage I have been able to dispose of stores to meet the ship's disbursements, and I have been very fortunate in my voyage in not meeting with accidents, and therefore I have had a large accumulation of stores on that account to dispose of.

2402. From the intercourse you have had with commanders of large ships, what is the general opinion you have formed upon that subject?—I should think there is an abundance of stores.

2403. Supposing you were carrying on trade on your own account, would you consider it proper or advantageous to carry such a large supply of stores as those ships are furnished with?—As an individual I might retrench those stores at a risk, and from a feeling that I was not to meet with accidents; prudence would not admit of any very great retrenchment.

2404. Are you not aware that traders going to different parts of India from England go with very reduced quantity of stores indeed compared with the Company's?—Yes, they do; I have seen them sometimes meet with accidents, and then they have bought stores at four times the amount at which they could have got them in the original port. I have been applied to once or twice, as commanding a Company's ship, whether I could spare spars or cordage.

2405. Do you recollect a Company's ship ever having occasion to buy stores at a ruinous price, to repair damages?—I had very great damage when I was quite a junior officer; we were struck by lightning, and the foremast was set on fire, which we cut away, and to replace that foremast we had to pay a large sum.

2406. Are you aware that typhones occasionally occur in the China seas?—I am.

2407. Have you not known a large portion of the fleet dismasted, and stores of every kind purchased at a great expense?—Lately ships have arrived in China safe,

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but I was in a typhone in the Neptune, in 1809, and the True Briton went down near us.

2408. Do you consider those accidents?—Yes, accidents that no man can foresee.

2409. Notwithstanding those accidents, do not the present class of merchant ships go at a much smaller equipment than the Company's do?—I think they go with fewer stores.

2410. Have you any doubt that they go with one fourth the quantity of stores that the regular ships have?—I know that small ships in the merchant service take cables voyage after voyage, and if they lie in the tier, well and good; but if they meet with a gale of wind in which they have to ride out, I should rather have a new cable than an old one, and feel grateful for the Company's caution.

2411. Does the quantity of stores affect the insurance?—I think the underwriters have that confidence in the equipment of an East Indiaman, that they never look at them.

2412. Which mode of conveyance is cheapest on the whole, a Company's ship uninsured and at a higher freight, or a private one insured, throwing in the premium?—I can only answer that question as an individual; if trade is not worth an insurance it is not worth following; the Company has a very large concern, and considering the amount of capital that they invest, they are underwriters themselves on their own account.

2413. Are you yourself in the habit of insuring goods in the Company's own ships?—Yes, I always insure full.

2414. What is the premium?—Six per cent out and home.

2415. Are you aware that the Company took up several ships from 700 to 900 tons for single voyages two or three years ago?—I am aware that they had been taken up, but upon what terms I am not acquainted.

2416. Are you aware that they have discontinued that, and taken up a smaller class of ships for the India trade?—No.

2417. Do you recollect in the year 1820, when the ships General Kidd and the General Harris encountered a typhone?—Yes, I recollect it; near the coast of China.

2418. Did not they suffer so much damage that they were obliged to obtain stores of every kind?—I know that they required some stores, but I cannot say the extent.

2419. Are you not aware that the greater part of the stores they had on board were damaged during that storm, and that they were obliged to get new stores when they came ashore?—No, I am not aware of that.

2420. Do you speak of the premium of insurance now, or at the time of your last voyage?—I spoke of the voyages during the time I was a commander; I think it is the same now.

2421. Have you ever been on board a man-of-war, and do you know the proportion of stores they take, as compared with the Company's fully-equipped ships?—I do not.

2422. Are you aware that the Company's ships have more than men-of-war?—I should have thought not.

2423. You stated your complement of men to be 135; how many of those men should you consider necessary, merely for the navigation of the ship, if you had no armament whatever?—I think the management of the sails and yards, and of the navigation generally, requires that number.

2424. A China ship, with 36 guns and with 130 men; what force should you say a ship of that description would be able to encounter in case of war; would it encounter a 32-gun frigate?—She ought to be equal to repel an attack.

2425. Would she be more than equal to any privateer?—Certainly, of the smaller class.

2426. What did you do with any surplus you might have beyond what you invested?—We were very glad to get bills on England.

2427. Is not the Company always ready to take your money?—Sometimes the treasury is open, at others not; at some seasons I have known it not open.

2428. What exchange do they give you?—The current exchange of the day; the Company's bills are always preferred.

2429. What was the least rate that you took the Company's bills at?—The very last rate I took them at was 4*s.* 7*d.* the dollar.

2430. What

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2430. What did that dollar cost you?—I reckoned it at 5*s.* in currency.

2431. Is that dollar worth 5 *s.*?—No, it is not so; but it is a mode of reckoning it, in the same way as we reckon the rupee at half-a-crown, when it is not so; but if I present an invoice in India of goods that I bring out, the buyer says, I will give you 8 per cent or 10 per cent, and he turns the pound sterling into eight rupees, and he calls it a per-centage upon the eight rupees, whereas, if you want to remit that money home, instead of being 2 *s.* 6 *d.* it is only about 1 *s.* 9 *d.*

2432. What does the dollar actually cost you in London?—It is about 4 *s.* or 4 *s.* 1 *d.*

2433. If the dollar being worth 4 *s.* you get bills of the Company at 4 *s.* 7 *d.* is not that a very profitable return from China?—Yes, but it does not always happen; the last two voyages I had remittances at 3 *s.* 11 *d.* and 4 *s.*

2434. Has that happened to you more than once?—It happened to me the last time I had remittances from China, in 1828.

2435. Have you not remitted dollars at 6 *s.*?—No.

2436. What is the highest rate at which you ever knew it?—I think the highest I ever heard of as an officer, was 5 *s.* 10 *d.*, it was at the close of the war.

2437. What has been the rate with rupees?—It has been 2 *s.* 8 *d.*, and 1 *s.* 10 *d.*

2438. Did you ever invest your money at so low a rate of exchange as you have stated, more than once?—I did not invest the proceeds, it was some goods remitted home by bill, and that bill was at 4 *s.*, but sooner than remit money at that price, had I been in China, I should have preferred running the risk in merchandise.

2439. You have stated that you consider a China ship with 130 men and 36 guns capable of repelling a small French frigate; are you aware that the Kent Indiaman, fully equipped, with 315 men on board, was taken by a French frigate?—The Kent was taken, I think, by surprise; the number of men alluded to were two thirds military recruits.

2440. What was the size of the Kent?—800 tons.

2441. Do you recollect the circumstance of a French frigate and a sloop of war in 1810 attacking four Indiamen and taking two of them?—No.

2442. Would not a greater risk be incurred by individuals sending home their ships when it suited them, instead of a number of vessels returning home together, as is the case under the Company?—Certainly.

2443. What would be the effect of throwing open the China trade, in your estimation?—It would be attended with very great risk. I could quote one instance that would bear a little upon the question: when I returned from India the last voyage there was one of the ships that the Company took up for one voyage was sent out to China; the commander was a friend of mine; I gave him a letter to one of the Hong merchants, Moqua, an intimate friend of mine also; he sent this letter up by his purser; it was requesting Moqua to befriend this commander, and buy his investment; he said he would buy it from him, for my sake; but when the commander came up to Canton he was not in uniform. Moqua said, "Ah! my friend, how is this you are not in uniform?" "No," said he, "I am not entitled to wear it." "Are not you one of the Company's captains?" "No," he said. "Then," said the Hong merchant, "I know Captain Alsager, but I no can take your cargo." He declined having anything to do with him on that account.

2444. Do the officers commanding the American trading ships wear the Company's uniform?—They are not entitled to do it.

2445. Do the officers of country ships wear it?—No.

2446. Do you consider the Chinese desirous of foreign trade?—I should say decidedly not.

2447. What would be the effect of an increase of smuggling in the event of the trade being thrown open?—I can hardly say to what extent it might take place.

2448. Is there any limit now to the smuggling that is carried on at Canton?—Opium is a smuggled article, but that takes place outside the port of Canton.

2449. Do you not think that risk would be incurred with respect to the regular trade, in the event of a great increase of the smuggling trade?—I think that would lead to riot and disturbance, which would put a stop to the trade altogether.

2450. Do you believe that the Chinese are aware of the nature of the East India Company?—I think they have the highest confidence in them, and they think them superior to any other power that they have intercourse with.

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2451. Are they aware that they are the governors of the adjacent territory?—I think I have heard of their reluctant acknowledgment that they are aware of their vicinity, but it is so vague that I could not speak to it.

2452. If you had capital sufficient to undertake a voyage to China in a ship of 1,200 tons, the cargo being entirely your own, and the freight to be 22 *l.* a ton, should you expect, from your knowledge of the trade to obtain a profitable return, or to lose by the adventure?—It is an enormous concern for one individual to undertake; it is far beyond my calculation.

2453. You have stated that if the trade was thrown open you think it would soon be entirely interrupted, in consequence of the disorders that would take place; have you ever known the trade to be interrupted between the Americans and the Chinese?—In the business of the Italian sailor it was.

2454. How long was it interrupted?—I think the Americans got tired of it in about six weeks, and gave up the man.

2455. Have you ever known the trade being interrupted by any differences between the Company and the Chinese?—Yes; in the business of the Topaze, a man was killed by the frigate, and they looked to the Company to give up the men from the frigate that had committed the murder.

2456. Was it interrupted at all in the year 1814?—I recollect there were circumstances which kept the ships at Lintin a long time, while the factory had disputes with the Chinese government.

2457. Do you know how long the Americans have carried on trade with Canton?—I cannot say; I recollect the Americans as long as I have been in the habit of going to China.

2458. Is not the country trade with Canton more extensive than the trade carried on direct from England to China?—If it includes the Company's ships, I should think it was.

2459. Exclusive of the Company's?—I am not prepared to say; the trade is very extensive, no doubt.

2460. Has that trade ever been interrupted?—I do not know that it has; but the Lascar is much more under control than a European sailor.

2461. Are those ships manned by Lascars, commanded by Europeans?—They are.

2462. You have stated that the Chinese are a people eminently adverse to trade?—I think they are adverse to all innovation and all alteration.

2463. Do you know whether they trade with Sincapore?—Lately one or two junks have been down there; but whether it is with the western part of China, or whether it is Amoy, on the eastern part, I cannot say.

2464. Do you believe that the trade with Sincapore by the Chinese vessels has been confined to one or two junks in a year?—Sincapore is a very infant settlement, and I think was scarcely known to the Chinese more than four or five years back; and the junks that came in we scarcely knew where they came from, because, if you include all the coast of Cochin China, there may be numbers, but from China I scarcely know one.

2465. Did the Chinese trade to Batavia?—Yes; I think about two junks in a year.

2466. Did they trade to Siam?—I cannot say: we often met with them in the China seas.

2467. Did they trade to Malacca?—I think I have seen two junks in the Straits of Malacca sometimes; but to what extent the trade is I cannot say.

2468. From what do you infer that they are a nation adverse to trade?—Merely from intercourse; whatever is new to them they set their faces against.

2469. Do they set their faces against those articles of European manufacture or produce which they stand in want of, and which can be furnished to them cheaper and better than the productions of their own country?—I should think the Chinese demand for European articles is on a very small scale.

2470. Do they set their face against dollars?—It is not customary for them to do so.

2471. Are not dollars an article of trade?—I can hardly call money an article of trade.

2472. But of course, adverse as they are to trade, they do not expect to get the dollars of Europeans or Americans without giving something in return?—Certainly not.

2473. Then they are capable of understanding the benefits of trade, and of adopting

adopting them?—Yes; but they like trade in the old ways better than the new ones.

2474. Do you happen to know whether any of the junks that came to Sincapore ever brought tea?—I do not know that.

2475. You have stated that there was an interruption to the trade on the occasion of the affray between the crew of the Topaze and the Chinese. Are you aware whether the trade was suspended upon that occasion by the supercargoes, or by the Chinese?—By the Chinese government.

2476. Are you not aware, that upon that occasion the Chinese government addressed a communication to the commodore of the Company's ships, stating that if they would withdraw themselves from the influence or control of the select committee, the Chinese would trade with them, and give them goods, and carry on commercial intercourse with them?—The Chinese did attempt to set the commanders against the Company, to divide the interest; but we said, we are entirely under the orders of the select committee, and must attend to them.

2477. Was not the purport of the communication which the Chinese sent upon that occasion, that they were willing to trade with the ships if you would withdraw yourselves from the control of the select committee; in fact that they would throw open the trade, and give you cargoes and receive your goods?—I think it was only a trial to see how far they could divide the English authorities there.

2478. In point of fact did they not offer to trade with the ships independently of the select committee if you would withdraw yourselves from the control and influence of the supercargoes?—I do not think it extended so far as that; it was a little inquiry to know whether we would act without the authority of the supercargoes, and finding that we could not do it, they ceased immediately.

2479. Did they not state, that if you would act without the supercargoes they would agree to trade with you?—I think not as far as that.

2480. Did not the communication convey a disposition to deal with you upon the terms mentioned?—I think it was merely a trial, without any sincerity, to divide us. I cannot say what was the purport of the communication.

2481. Can you state how many tons bulk the spare stores taken out in the Company's regular ships would occupy?—Water is the most bulky article.

2482. The question refers to cordage and sails, and every thing else except water?—The actual room that they occupy is very small; it is in the lazaretto, from the foremast to the bows. If the object of the question is to ascertain how much cargo less is brought home in consequence of those stores, the stores are put where no cargo is permitted to be put; they are put in the bows of the ship, in the orlop deck, where tea would be liable to damage.

2483. Then you mean to say that the cordage and sails, and all the valuable stores, are put in a place where cargo is not permitted to be put?—It is.

2484. Are you aware that some country ships have gone from Bombay to China manned entirely with Europeans, and traded there without any interruption whatever?—I was not aware of that.

2485. You have stated that large ships have a great advantage in the port of Canton, with reference to the tonnage-dues, from the mode of measurement being such as to leave large spaces at each extremity unmeasured; are those spaces which are not measured larger in proportion to the spaces which are measured in a large ship than they are in a small ship?—They would be in proportion to the entire body of the vessel.

2486. Does not the space which is measured, that is, the distance between the centre of the foremast and the centre of the mizenmast and the extreme width, increase in the same proportion as the spaces which are not measured, according to the size of the ship?—No doubt; but then the depth is not reckoned at all, and therefore there is a gain upon the depth.

2487. Is not the mode of measurement such that the tonnage upon which the Chinese calculated the duty, is as much larger in proportion in a large ship as it is in a smaller ship?—Certainly it is.

2488. Then is not the result the same upon a small ship as upon a large ship?—No; because, as I said before, it is a mere superficial measurement, and the depth is not reckoned, where there is a gain of seven feet, and the two extremes are not measured also; the calculation is made only upon the part that is measured, which upon a ship of 1,300 tons is about 4,000 tales, and on a 500-ton ship about 3,000 tales.

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2489. What effect, in your opinion, would the opening of the trade have, supposing the Company's trade to remain as at present, upon the supply of tea, both as to regularity, as to quantity, and as to quality?—The supply of tea would be regulated in a great measure by the demand.

2490. Would the quantity of good tea be as great in that case as it is now, or greater or less?—I think a large demand would lead to the manufacture of a deteriorated article; and I think the Company would always have the preference of whatever was in the market.

2491. You think the Company would always have preferable means of purchase, whatever might arise, as long as they were purchasers?—I do.

2492. How do you account for the smuggling having increased of late years, very much, with all this protection on the part of the Company?—I am not aware of any smuggling at all that has taken place in the Company's service; all that I know of is outside the port, where ships are sailing amongst the islands, and their general trade is opium. I am not aware that there is any smuggling whatever in any other article.

2493. From what you know of the Chinese, do you not think they would be disposed to sell to the highest bidder. Supposing the trade to be open, and that Englishmen could go there as well as the Company, would they sell to the Company cheaper than to any body else?—I think the Company would have the best article offered to them at a certain price.

2494. You think competition in the market would not effect the price?—I think a large would, as in general merchandise I think it does.

2495. If the demand for good teas increased by opening the trade, do not you think the supply would be increased in proportion?—I think it would open the door to a great deal of deteriorated article; how far the growth might be increased in the interior I cannot tell.

Walter Stevenson Davidson, Esq. called in; and Examined.

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2496. HAVE you resided in Canton as a merchant?—Yes, I have.

2497. Will you state to the Committee when you went there, how long you staid, and in what business you were employed?—I first of all visited China in the year 1807, but staid merely that season; I returned to settle there in the year 1811, and I finally quitted it in 1822.

2498. Are you a British subject?—Unquestionably; I am a native of Scotland.

2499. How were you allowed to reside at Canton as a merchant, not belonging to the Company's establishment?—I resided there as a naturalized Portuguese subject, and I obtained that naturalization for a space of 100 years, and upwards. I received it by favour from the king of Portugal; I paid nothing for it.

2500. Would you have been allowed to remain as an English subject, unless you had been naturalized, or under some other flag?—Unquestionably not. So far from it, when I obtained the letter of naturalization I wrote to the then court of Directors, informing them that I had got such, but that I still wished to proceed out in one of their ships to China, and they replied to me that they could not think of permitting it.

2501. Did they attempt to prevent your residence there, when you appeared as a Portuguese subject?—Never; nor had I ever occasion to appear as a Portuguese subject; and, for obvious reasons, I never sought to do so.

2502. Will you state in what character you did appear?—I never was, from the commencement of my residence to the termination, desired to state in what character I appeared.

2503. Was it not known that you had been naturalized as a Portuguese?—Perfectly notorious on the spot.

2504.—Do you not believe that it was on that account you were allowed to remain?—Entirely.

2505. What was the firm of your business?—The firm of business, when I joined it, was Baring & Company, it afterwards became Molony, Robarts & Company, and afterwards W. S. Davidson & Company.

2506. What Mr. Baring was it?—It was Mr. George Baring.

2507. Was he a member of the Company's Factory there?—No, he was not; he had previously resigned the service, and resided in England.

2508. Had he been in the Company's service?—He had.

2509. Who were associated with you?—Two other Company's servants, Mr. Molony and Mr. Robarts.

2510. They were then belonging to the Factory?—They were.

2511. How long had they been established as agents at Canton?—The house existed for many years before; the earliest member of it with whom I am acquainted is Mr. Fitzhugh, now in London, the present Lord Strathallan, Mr. Henry and Mr. William Baring, the brothers of Mr. George Baring, also belonged to it.

2512. In what year did you join them?—In 1811 I went out.

2513. What was the business they carried on when you joined them?—Agents in all articles the produce of India, but chiefly cotton and opium; certainly opium and cotton formed nine-tenths of the business.

2514. Then it is presumed that the Factory knew perfectly that you managed the trade in opium?—That will require a little explanation. I mentioned that I was in China in 1807, during which time I became acquainted with all the members of that firm; in consequence of which, upon the East India Directors depriving their servants of the power of carrying on the opium agency, they invited me to go out to China to manage it; and the *bonâ fide* understanding was, that every dollar that was derived from the opium agency should go into my pocket; and every dollar that was derived from the cotton agency, which was still legal and allowable, should go into theirs.

2515. How long had the Company allowed their servants to be opium agents?—As well as I can recollect, the East India Directors had capriciously changed their regulations two or three times; I cannot say precisely.

2516. Did they change them after the time of your joining the house?—Yes. They afterwards deprived them of the power of acting as cotton agents; or rather, they desired that instead of certain parties, who then acted as cotton agents, retaining it, it should be carried on by them, or others of their servants, for the benefit of the whole Factory. Mr. Molony and Mr. Robarts declined to take it on that footing, alleging very properly, that as they were very often obliged to remain at Canton during the hot season to attend to the business, when the others were amusing themselves at Macao, it was not fair; and it was upon that occasion that the house assumed my name, and all the business fell into my hands.

2517. Did any of those Company's servants continue partners with you in any portion of the business?—In nothing whatever.

2518. During the time you remained, did any of the Company's servants afterwards act as agents for any business?—Never afterwards, till 1822, when I quitted the country, and I have every reason to believe not since.

2519. How many factories existed in Canton during the time you were there?—There was the English; the Americans had a consul, not a company; the Dutch had supercargoes, and they had a factory also.

2520. Had the Dutch Company a monopoly?—It had ceased to be a monopoly, because the Company ceased to operate at the time of the war of the French Revolution; the Spanish also had a factory and a factor, but he resided almost entirely at Macao, as agent for the Royal Phillippine Company; there was the Swedish, they had no business, and the consul of which, Sir Andrew Ljungstedt, resided at Macao. The French, Prussian, Austrian and Danish had been formerly known there, but there were no consuls excepting nominal ones. In one instance they were British subjects who were the consuls. Messrs. Magniacs, I think, were the Prussian consul and vice-consul.

2521. Have any partners of that house lately come home?—Yes; the chief partner is in this country now, Mr. Hollingworth Magniac. There was an Austrian factory, but it was during my time always let to captains of the Company's ships or others; and I think there was a hong called Danish. The difference between a hong and a factory is, that a hong comprises several places of residence.

2522. Were there any other Englishmen under foreign flags residing at that time in Canton, besides your own house and Magniac's?—In the course of my residence I admitted a partner, who was the Sardinian consul.

2523. Was he a partner with you?—Yes, he became so, and is now at the head of that house, Mr. Dent.

2524. Did you trade on your own account, or act as agent, during the time you staid there?—I did both.

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2525. Will you state to the Committee in what manner you managed the sale of the opium consigned to you as agents?—Nothing was more simple. The ship on board which opium was lay generally at Whampoa at that time, about 12 miles from Canton; the parties who purchased opium of my house paid the money in Canton, and so soon as it was ascertained that the silver was good, which was done by shroffs I had for the purpose, they received an order on the officer to take the opium out of the ship; the purchasing parties then went down, generally under the colour of night, and took the opium out of the ship, that is to say, broke open the chests and threw the opium into bags, leaving the chests on board, because they were not so handy for their boats.

2526. Is it within your knowledge that they obtained any orders, or made any preliminary arrangements before they could go on board for the opium?—Decidedly; as far as general report and general belief, they always had an understanding with the Mandarins previously to taking opium out; that is to say, they required to know how much money they should pay them on each chest, and when this money was paid, those persons, it was always understood, gave orders that they should not be molested.

2527. Was it known in Canton that those ships had opium on board, although the article was contraband?—It was quite notorious to all the parties.

2528. Was it known to all the authorities?—I cannot say that it was known to the Fooyuen or the Hoppo, but I do not doubt it.

2529. Have you ever known any attempt to seize the opium on board of a ship lying at Whampoa?—I never heard of such a thing.

2530. Have you ever known more ships than one lying at Whampoa with opium?—Many.

2531. Where did they lie at that time; was it between Danes Island and French Island?—Near both; they generally chose the most quiet and sequestered spot, because, as their anchor was likely to be down so much longer than any other vessel, it was desirable that they should be out of the way.

2532. Are you aware that the custom house authorities invariably appointed boats to watch those opium vessels?—Certainly.

2533. Then your opinion is that the smuggling of opium was with the knowledge of the authorities there, and you never knew of any interruption to it?—I have known interruption to it, but I have never known any difficulty on board the ship.

2534. What difficulty have you known out of the ship?—I have known periods when the demands and extortions of the Mandarins were so high that it was not possible to sell opium.

2535. Notwithstanding that, was any attempt ever made to seize the opium on board the ships?—Never, that I knew of.

2536. When ships arrive at Canton containing opium, in what way is the cargo entered?—Opium is never entered; every ship bringing opium always brings some other cargo; that other cargo is always the cargo entered.

2537. Is there any additional charge made on ships which lie there, as the opium ships do, the year round?—I never knew an instance, that is to say, I never was obliged to pay, but I have been plagued about it.

2538. How long have you known a ship lie there?—I do not remember any instance of a ship lying above a year, excepting one to my own consignment; she lay much more, and it was about her that I had a great deal of trouble; it was a very unusual occurrence, and would be likely always to give trouble.

2539. Are you aware whether the Hong merchants have anything to do in the opium trade?—I am afraid some of them have had; I knew one very well who was too ready to deal in it; I never dealt with him myself, because I did not approve of it, but I believe he has dealt frequently in it.

2540. Does that Hong merchant still belong to the Hong?—The Hong merchant to whom I alluded no longer belongs to the Hong.

2541. Are the Hong merchants changed from time to time?—I have never known them changed, except by death, or bankruptcy or banishment.

2542. Are you aware whether they pay any sum of money to obtain the privilege of the Hong?—I do not know it, but I have no doubt of it; I believe that nothing is to be obtained in China without paying the authorities.

2543. Have you any doubt that any thing may be obtained in China on paying for it?—There are very few things that may not, I believe.

2544. Will

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2544. Will you state generally what the rate of commission on doing business at Canton was in your time?—Generally in my time commissions were reduced, and which I believe is the usual practice in all countries where trade is extending, and where it begins very high. On cotton I never knew it below three per cent; on opium, I knew it five per cent, and it became three. There were many parties in China who did business on much smaller commissions than this. My house made a rule of never doing so, by which means we lost a great deal of business.

2545. Had you, during the whole time you remained there, ever any trouble yourself on account of being an agent for opium?—I was in a constant sea of trouble.

2546. With the Chinese authorities?—I never had occasion to come into direct communication with the Chinese authorities; I avoided it because it would have been of no avail.

2547. Will you state what you mean by saying that you were in a sea of trouble; what were the difficulties you met with?—Constant interruptions, owing to the exactions of the Mandarin, which stopped the sales altogether in some instances. On other occasions, after the parties who bought the opium of me had paid down the money and had got their orders, it could not be delivered, and I was obliged to refund, because they could not make their arrangements; and as parties in those circumstances are sometimes very unreasonable, in some instances they wanted me to indemnify them for the profits they might have got, when it was in fact their own government which impeded them.

2548. Have you any means of judging whether the trouble attending the sale of opium is less now since the ships were removed from Whampoa, and stationed themselves at Lintin, outside the river?—I should say that I do not believe there is much difference in the trouble, but a vast difference in the anxiety, because in the one case they were liable to seizure any day, in the other case they lie in a spot where they can defend themselves against any power that can come against them.

2549. You mean to say, that the trade in your time, whilst the ships lay at Whampoa, was more difficult than it is now?—More full of anxiety; there was no difficulty in it; it was a very good business.

2550. Did you ever know of any other articles except opium being smuggled?—I have heard of a great many, but I never smuggled any other articles myself in the import trade.

2551. With regard to the exports?—In exports I smuggled very largely of silver, because it was a prohibited article, as well as opium, and so was tutenag I believe; and the rule which guided me was, that I would smuggle the articles which were prohibited, but not those upon which a direct duty was laid.

2552. Can you state what was the number of chests of opium imported at Canton in your time?—The quantity varied; on general recollection, I think I may say 6,000 or 7,000 chests.

2553. How many pounds does a chest contain?—I think a chest contains two maunds of 82 pounds each, that is, 164 pounds, or it may be two maunds of 74 pounds each.

2554. What was the average price you sold it for?—I think I have known the prce vary from 1,200 to 2,400 dollars.

2555. Are you aware that the trade to China has now increased to 13,000 or 14,000 chests?—So I have heard of late years, and I have no doubt of it.

2556. What was the value of the opium you have stated?—From 8,000,000 to 12,000,000 of dollars, between 2,000,000 and 3,000,000 sterling.

2557. Was all the opium that you received Company's opium, or was there any Turkey opium?—There was Turkey opium.

2558. What proportion to the quantity of Company's?—I am not prepared to say, nor can I find amongst my papers sufficient data to give that conclusion.

2559. You have stated that you smuggled silver, did you ever apply for a chop for permission to export it?—Never.

2560. Do you know that the Company have exported silver?—Yes; I have heard so.

2561. Do you know whether they received a chop permitting them to export it?—I have no doubt of it; I am convinced they would not hazard the doing it without.

2562. What responsibility did you consider to attach to you as an agent, selling a prohibited article like opium?—In a pecuniary point of view I never considered it

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it was a responsibility that could be valued, nor did I ever charge, or pretend to have a right to charge, any thing for it; personally, of course, every man who resides in China runs a great risk; the government, for instance, as I have stated, knew full well that a ship was at Whampoa with a large quantity of opium; that she was to my consignment, and they might have imprisoned me any day, and said till you pay 100,000 tales you shall not be released.

2563. Did that ever happen during your residence there?—Never.

2564. Did you ever hear of its happening?—Never; I do not think that in the history of the trade there has been an instance of it.

2565. What risk did you consider you ran in smuggling silver?—None whatever beyond the seizure of the silver, with which they are always exceedingly well satisfied.

2566. Have you known many seizures made?—I have known some, but very few indeed, the parties are so exceedingly expert.

2567. Upon whom did that loss fall?—It fell upon the party for whom it was a remittance to India, either myself or my constituents, as the case might be.

2568. Could that risk become a matter of insurance?—Certainly not.

2569. Have you ever known it taken as such?—I think no European would ever be so foolish as to run such a risk. I cannot pretend to say that it has never been made a risk; I never would have run the risk myself for any reasonable premium.

2570. In your time did the Chinese undertake to put the silver on board for you?—Yes.

2571. What rate did you pay them for it?—I bought the silver of them, and they undertook to put it on board; it was deliverable on board, and I paid them sometimes before, and sometimes after they brought me the captain's receipt for it.

2572. Then your own risk was at an end?—Entirely, except when I chose to step out of the way and trusted them, which I have often done with all those parties, both in silver and in opium.

2573. Do you mean to say that you sold opium on credit?—Yes, I have, very foolishly.

2574. Then it is presumed your opinion of the Chinese was very good?—It must have been so when I sold to the greatest rogues in the country an article on credit.

2575. Did you ever make any bad debts in such cases?—Yes, I have.

2576. You stated that some time after you sold the opium, the parties came to you to have the money returned, because they could not get an order for the landing of it; is it an universal practice in getting this article on shore to get an order from the Mandarins before an attempt is made to land it?—I should think by no means; the parties who had my order for the opium, if they could evade the Mandarins, avoided paying them; but generally speaking, I believe, they cannot evade them, and that they find it the surest way to pay them.

2577. Generally speaking, is permission obtained from the Mandarins before an attempt is made to land the opium?—I should think the parties generally pay in order to secure the safety of the opium; but I may be permitted to add, that I should think it very likely, in the case of paying too small a sum, the Mandarins might still seize the opium afterwards, and I should think that the parties, unless they were disposed to pay the full fee, would rather run the risk altogether.

2578. Is there then any established fee?—Yes, there is an established fee for to-day, but you cannot depend upon them beyond the day, it is constantly liable to variation.

2579. Is there always a price in the nature of a fee paid to the Mandarins, which will ensure the landing of opium?—Except at such times when their demands are so extortionate that it is impossible to sell the opium.

2580. What is the greatest payment you have known to be made to a Mandarin?—I know nothing whatever of the fine paid to the Mandarin.

2581. You stated that the opium agents are generally watched by boats from the customhouse when the opium is taken out of the ship, with an order obtained from the Mandarins; are those boats generally present?—I believe the system has been, when they have received intelligence from their chiefs, to retire.

2582. Are you not aware that those custom-house boats are moored astern and on the quarter of every vessel?—Customhouse boats are; but I am not aware that

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that the boats whose duty it is to seize those parties are moored there; they are far too weakly manned and armed.

2583. Are you not aware that those boats permitted the opium to be landed?—Decidedly.

2584. Could they prevent it if they pleased?—That does not follow: they may not be strong enough. I have known instances of the Chinese opium boats overpowering all force where it was a very large quantity, and it was worth their while killing and wounding men; but generally they do not attempt it.

2585. On such an occurrence happening, have you ever known any notice taken of it by the government?—Never.

2586. Besides opium, have not you purchased tea on commission?—My export in that way has been but small. I have, however, done it often.

2587. What was the commission you were allowed on tea?—Three per cent, the same as on cotton.

2588. Generally speaking, did you not buy and sell the different commodities of Canton?—Certainly.

2589. Have you found any difficulty in your dealings, either with the Hong merchants or with the outside merchants?—I very seldom dealt with the outside merchants. I have often found difficulties with both descriptions.

2590. Did they refuse to sell to you, or refuse to buy?—Never.

2591. What are the difficulties that you met with; have they refused to pay?——Yes, I have met with many difficulties of that nature, having the misfortune to deal with bankrupts.

2592. What should you say of the facility of doing business in the port of Canton as compared with other ports?—I should say it is greater in that than in any other country I have ever either visited or heard of.

2593. Have you ever sent teas on your own account to New South Wales, or any other place?—Not on my own account; but I have sent them on account of other parties many times.

2594. Did you buy those teas by previous contract, or as you found them in the market?—I have bought them both ways: when I knew that the vessel was coming, then, of course, I would buy them by contract previously; when a vessel came suddenly with an order, and had to return immediately, I was obliged to buy them at the moment.

2595. As a general rule, then, when you knew a vessel was coming youwoul d provide the cargo by previous arrangement?—Unquestionably.

2596. Do you not consider that the East India Company, by having a regular demand for their trade to England, can buy their teas cheaper than a stranger, who goes into the market with only a short time to purchase his cargo in?—Certainly; the Company buy their teas at great advantage.

2597. Do you think, if your purchases had been large, you would have had equal facilities with the Company?—I think, if my purchases were equally large, I should have equal facility, if I were equally active and intelligent.

2598. Do you consider that the principal advantage which the Company has arises from the great extent of purchases and sales which they make?—Yes, I do.

2599. Are you aware of any other advantage they have beyond their great punctuality and their great dealings?—That seems to me to embrace every advantage that can be possessed by a great trading company.

2600. Supposing the Company to continue to trade there, and supposing the trade thrown open to other Englishmen, with liberty to settle and reside at Canton, do you foresee any difficulties in carrying on the trade at Canton?—I foresee that many may arise.

2601. Will you state what difficulties you anticipate?—I believe that individuals would conduct themselves so irregularly, that they would quickly become embroiled with the Chinese.

2602. Have you ever known, during the time you resided there, any interruption or any individuals coming in collision with the authorities there?—I think I stated before, that we knew better than to come into collision with the government, but we have had many grievances.

2603. When a grievance occurred, in what way did you apply for the redress of that grievance?—During the whole of my residence I never had occasion to apply for the redress of any; but I have heard the modes taken by other parties, which

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modes are generally understood to be by going to the Viceroy's palace, with a chop or letter, stating the grievances; that is to say, a great collection of people, who are of the same mind, and who were generally labouring under a common grievance, forced their way through the city-gate, and made to the palace; and when they succeeded, as they frequently did, the parties there were very glad to take their letter, and to get rid of them.

2604. Do you allude to the Company's servants as ever having done that?—No; the Company have the privilege, and a very great one it is, of communicating with the Canton government in Chinese; it was gained by negociation long ago.

2605. To whom do you allude as having done that?—Persons connected with the country traders; but I remember on one of the most spirited occasions they were headed by a late Chairman of the East India Company, the Honourable Mr. Lindsay, who got great credit for the manner in which he conducted the business.

2606. Did he head the party as a servant of the Company, or as an Englishman independently of the Company?—Decidedly as an Englishman, and not as a servant of the Company.

2607. Have you ever known any of the Company's commanders joining in these proceedings?—The Honourable Mr. Lindsay was then the Honourable Captain Lindsay, and a Company's commander.

2608. Did you ever know of any of the select committee, or the persons belonging to the Company's establishment there, joining in such proceedings?—No, I do not.

2609. Can you recollect the nature of the remonstrance they presented?—I cannot; I was not on the spot at the time.

2610. Was redress given to the grievances?—I think, generally speaking, those petty grievances for which they sought redress in this manner were relieved.

2611. Comparing the time when you arrived at Canton with the time when you came away, do you conceive that on the whole there were greater facilities for trade at the termination than at the commencement?—Unquestionably.

2612. Are you aware whether, from what has taken place since you came away, still greater facilities have been afforded?—I have heard very little of the matter since I came away.

2613. What do you consider to have been the cause of that greater facility?—Privileges obtained by the exertions of the East India Company's select committee.

2614. Did that apply to the Americans?—Unquestionably; I conceive the Americans and all other foreigners have benefited by those privileges which have been obtained by the East India Company, and, as I conceive, at the cost of Great Britain.

2615. Are the Committee to understand that in these remonstrances by individual Europeans residing there, that the Company's civil servants ever joined in them or not?—I believe not.

2616. You stated, that you were afraid that disturbances might take place; have you ever known any interruption of the trade of any nation, except that which has taken place with the India Company?—I know the American trade stopped on one occasion, in consequence of a life that was lost, in the case of the Italian sailor Majocci; I do not remember any other.

2617. Then what induces you to say there would be a risk of disturbance when you know no instance of that having taken place?—Because I conceive the Chinese would very soon deprive you of all your privileges, and the trade would consequently be carried on to the greatest disadvantage; the parties interested there would be dissatisfied; and I think it is not going too far to say, that they would greatly misconduct themselves in the end, from cruel irritation.

2618. Have you not said that it was your interest to conduct yourself quietly to avoid collision?—Certainly.

2619. What reason have you to think that other individuals, consulting their own interest, would not act with equal caution?—Because very few had so large a stake as myself. Smaller stakes make people less cautious.

2620. Do you not contemplate, if the trade were open, that the agency business would very much increase, so as to be worth every individual's attention?—It is very possible it might.

2621. Do you contemplate danger as likely to arise, supposing China to remain as it now is in regard to Europeans?—There are now a great many private individuals in China who have much larger stakes than they had in my time.

2622. Do

2622. Do you find that they come in collision with the public authorities?—I should think not.

2623. Do you know Mr. Wilcocks, an American merchant, who was there?—Yes, intimately.

2624. Have you ever known him, or any of his countrymen come in collision, except in the unfortunate case you have alluded to?—Never.

2625. How often have you known the trade interrupted by the English coming in collision with the public authorities there?—Two occasions I have a vivid recollection of. The first occasion was in 1814, it was the resistance on the part of the supercargoes to an attempt made by the government, in conjunction with the Hong merchants, to make the monopoly which they possess much more close and injurious to the English trade than it had ever been before.

2626. That is, the Chinese authorities were anxious to establish Cohong, so as to render the monopoly of the sale of Chinese articles greater?—The nature of it was to give authority to the senior Hong merchants, that they should have a power to control the juniors to fix the prices, and in short to exercise a very despotic authority over their own body and over the trade.

2627. If such had been established, do you consider that an increase of the price of teas was anticipated?—I conceive that would have followed.

2628. What steps did the Company take in resisting those demands?—They resisted those demands, by stopping not only their own trade, but all the country trade.

2629. How long did they stop that trade?—As well as I can recollect, I should say about two months.

2630. Have you ever known any interruption by any proceedings of country traders?—Never.

2631. On what other occasion do you recollect any interruption?—On the occasion of the affair of the Topaze frigate; I think in the season 1821-22, an affray took place between the crew of the frigate and the Chinese, in which some of the Chinese were killed and wounded, and on that occasion the Chinese stopped the trade.

2632. Had the Company's own servants any thing to do with causing that?—They were not the cause of it, it was a king's ship.

2633. Did any dispute arise about the price of black tea between the Company's Factory and the government?—I am not aware of that circumstance.

2634. How do you account for king's ships, which of course are better disciplined, and under better command and control than any other ships, having been the cause of disturbance in China, when the country ships have not caused any disturbance?—In the simplest way possible, one party will take blows, the other will not.

2635. Will you explain what you mean?—King's ships going to China will of course submit to no insult whatever, and therefore, so long as they do go to China in the present state of things they must embroil the trade, because I hold it to be quite impossible for any ship to be in China, and in contact with the Chinese, without being insulted sooner or later.

2636. Are the Company's ships ever insulted in that way?—I have often heard of persons belonging to Company's ships receiving insults.

2637. Then they are obliged to put up with the insults as well as others?—Of course; I speak of personal insults, and not such as affect the honour and character of the Company's representatives in China.

2638. Supposing the trade were thrown open, and supposing the Company to exist as a Company without exclusive privileges, and supposing a consul, with a council perhaps on the part of the Crown, with powers to regulate the conduct of every Englishman visiting Canton, can you form any opinion what would be the result as to keeping peace and good understanding with the Chinese, as compared with what now takes place with the Company's present establishment?—Supposing such a state of things to exist at some future period, I should say, that unless judicious and energetic diplomatic arrangements preceded such a change, the British trade would not exist at Canton two seasons without the most violent and serious interruption. My reasons for thinking so are these: the Company possess the twofold character of trading merchants, and of a great controlling power; they can temporize, as they have done before; but if the representatives of

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Great Britain emanated directly from the Government of this country, I conceive they would be placed precisely in the same situation as the men-of-war have always been in, that is to say, they would stickle for the honour of their government, and they would not be able to recede from their first demands, by which means the trade would be lost for two seasons at least; many individuals would be thereby entirely ruined, and the country would be unable to reinstate their commercial intercourse with China without incurring a vast cost.

2639. Have you not stated that other Europeans when aggrieved have united together to demand redress from the Chinese, and have obtained it?—In insignificant cases; I have stated that to have been done on petty occasions, not on great occasions, certainly. Such an attempt in the year 1814, when the Company made their great stand, would have been as futile as it would be for me to hold up my hand in this city for the purpose of extinguishing a great fire.

2640. Have you found, from your own experience, that the Chinese people are extremely desirous to carry on trade with Europeans?—Unquestionably, but in their own way.

2641. Then it is the regulations of the government that you consider to be hostile?—Entirely so.

2642. You have stated that during your recollection, and as far as you have heard, no interruption has ever taken place with the Americans, who have carried on that trade for many years, except in the case of the Italian sailor; have you ever known any thing of the kind occur with the Danish, the Spanish, the French and Dutch, during the last five years?—Certainly not.

2643. Then are the Committee to understand that you anticipate those difficulties, from the supposition that irregularities would take place on the part of the traders there?—That is only a part of my reason, which is correct as far as it goes, but also from the decided disposition of the Chinese authorities to encroach.

2644. Are you able to state whether the number of individuals employed in China by the tea trade is very considerable?—I have always understood so.

2645. Would not the stoppage of the trade which you anticipate be as important a grievance to that country, as the stoppage of a great branch of trade would be to any other country?—Unquestionably; it would ruin those engaged in it at the moment.

2646. Do not you consider that would be an inducement to them to act on reasonable terms?—The government of China and the trading people are so very distinct, that it is impossible to suppose one motive actuating both parties.

2647. Do not the mandarins and the officers of government gain very much by the trade, both regular and smuggled?—Unquestionably.

2648. Would it not be against their interest that any interruption should take place?—Certainly.

2649. Would it not also be against the interests of the English residing there to produce any interruption?—Certainly.

2650. Both parties being anxious to keep the trade, on what ground do you suppose the trade would be lost?—Because, as I stated before, representatives of the King of England could not temporize in the same way as the East India Company have always been ready to do, when judged politic or necessary.

2651. You stated, that the present Lord Strathallan, and several gentlemen then in the Company's service, were concerned in business in Canton; did you mean it to be understood that they had any interest whatever in the sale of opium, which you described as having taken place?—I stated that from the moment I joined the house, it was upon a clear understanding that all the opium agency should be mine, and that the cotton and other agency should be theirs.

2652. Did they at all participate in the opium agency?—I stated distinctly that in point of fact they did not participate. I *bonâ fide* profited by the opium agency, and they *bonâ fide* kept the other agency.

2653. Did you not state that the Company afterwards put a stop to their servants having an interest in the cotton agency also?—They submitted a proposition, that if it was retained by their servants it should be for the general benefit, certain parties being nominated by the whole to act. The parties then concerned in it declined the thing on those terms, and consequently, I succeeded to the whole agency, none of the other parties in the Company's Factory choosing to start against me.

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2654. Are the Committee to understand then, that those gentlemen did nothing in the prosecution of that business; that they were not permitted to do as Company's servants?—Distinctly so.

2655. Before you joined the house had the opium agency been equally divided between the members of the house?—Unquestionably; but the opium agency was much smaller at that time than afterwards.

2656. Had the gentlemen you have mentioned any concern in any business which they were not permitted by the Company to engage in?—Those gentlemen participated in nothing but what they were legally and strictly authorized to do. When they were no longer authorized to do it, they most honourably gave it up to me, and the thing was done quite *bonâ fide*; and the reason I use that expression is that in that country it was by some supposed to be otherwise; but I state most distinctly, that the opium agency profits were *bonâ fide* given up to me, on joining the house.

Martis, 9° die Martii, 1830.

Captain *Charles Hutchinson*, called in; and Examined.

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2657. YOU are a Captain in the navy?—A commander in the navy.

2658. Since the peace have you employed yourself in the command of any ship in the mercantile service?—I took the command of a ship called the Bombay Castle, at Liverpool, in 1819, and went to India, where I remained five years.

2659. What was the size of the ship?—Nearly 600 tons.

2660. During the five years you were in command of this ship had you any intercourse with Canton?—I went there three times, three several years, from Bombay, with cargoes of cotton, and various other things that are sent from India.

2661. Was there any opium an board the ship?—Not on board the ship; it is generally sent in vessels employed for that particular trade.

2662. To what ports did you return when you left Canton?—Always to Bombay from China.

2663. What were your return-cargoes?—They consisted of tea, sugar, silk, camphor, nankeens, and a variety of other articles fit for the market of India.

2664. Was tea any considerable proportion?—No; tea is but a very small proportion; it is chiefly used by Europeans, and by a particular class of people, called Parsees.

2665. How long were you at Canton in any one of those voyages?—Generally about three or four months.

2666. Had you the means of knowing whether the trade in which you engaged was profitable?—Yes; I have no doubt it was profitable, more or less, at times; and as one proof of it, I used myself, not knowing anything of the trade, to lend money to merchants at Bombay, who paid eight per cent for it to Canton, and the same back; and they made very largely upon it again, as I understood from themselves. Since I quitted India I have heard that they do not succeed so well as they did; but that was the state of the trade while I was there.

2667. How was the ship in which you were employed manned;—Entirely with Lascars, but with European officers.

2668. Do you know whether any ships have been employed in the country trade with China that were manned by Europeans?—I know of two, but I think there were more. They were ships that had been bought by British merchants, but had been built in India; they had the privilege of going to China; they claimed the privilege, and went with British seamen on board.

2669. Supposing the privilege which belongs now to an Indian-built ship to extend to all British ships, do you consider that advantage would accrue from it to the trade?—I have very little doubt of it; it can be but matter of opinion; but calculating from what I saw the Americans do, I think it must be very advantageous; for they bring goods from England and make a profit; and I have myself carried goods to China from India which have been sold with a profit there.

2670. Supposing there were a greater competition of shipping, would not the expense of that trade probably be lower?—No doubt it would. The freights are very heavy upon the ships that go from India to China.

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2671. As you were three times at Canton engaged in those transactions of commerce, what should you say, from your opportunities of observing the character and habits of the people of China, as to their disposition with respect to intercourse with other countries, and carrying on trade generally?—They have a very great avidity to trade with every body they are permitted to trade with. The merchants of China are extremely eager to trade with every one that comes into the country, more so than any people I have ever seen.

2672. Do you mean to say that they are a speculative, trading, enterprizing country?—Very much so; beyond any others I have seen.

2673. As they are disposed to favour trade, and to be speculative and enterprizing in it, are they disposed to be accommodating, and to afford facilities in their intercourse?—I think the people themselves are, in every possible way. The government take every opportunity of extorting duties; but those duties are not changed; and so long as you carry on the trade in the regular way appointed by them there is no sort of difficulty. Liverpool, which is one of the most expeditious ports for commerce in England, is not to be compared with Canton for its facility. In half an hour you may conclude a sale of a whole cargo of a ship, and the purchase of another, and you have no further trouble with it; with the Hong merchants particularly; the more creditable ones among them are very honest in their dealings.

2674. You say that the government take every opportunity of extorting duties. Had you ever an opportunity of observing whether other governments are slack in levying duties on trade?—Perhaps I was a little incorrect in the expression I used. While you adhere to the regulations they have made, you have no fear of extortion; but if you do anything at all illegal you are subject to very great extortion, and this extortion their own merchants are liable to if they commit any irregularity. They frequently make the Hong merchants pay fines for no real cause, but some pretended ones.

2675. Had you any dealings with the Hong merchants?—Yes, I had, but not to any great extent.

2676.—Are there other merchants, exclusive of the Hong, with whom you can deal extensively?—A great many, and some have very extensive dealings; indeed many of them much larger than many of the Hong merchants, who are in fact nothing but a name.

2677. So that you might have sold or bought a cargo without having recourse to the Hong merchants beyond what was necessary for securing the ship?—Precisely so; it is frequently done.

2678. Were there many American ships at Canton at any period when you were there?—Yes; many come there every year.

2679. Had you any intercourse with the captains or the supercargoes of those ships?—I saw them frequently.

2680. Did you ever hear of any complaint of any want of facility in carrying on the trade in China?—No, I never heard any one complain of any want of facility in carrying on the trade as long as they adhere to the regulations of the country.

2681. Had you any opportunity of observing instances in which the Americans had to dispose of British manufactured goods in China?—There were two ships arrived one season when I was there, I understood, entirely loaded with British manufactures; I did not see the actual disposal of them, but it was well known that they did dispose of them; they were, I believe, not of a very good description, and consequently they did not sell so advantageously as those of a better description would have done. I had some in my ship at the same time which sold at a good profit; they had been bought in India at a profit, and they were sold again in China at a profit. Those were British cotton manufactured goods; chiefly long cloths and cambrics. I have taken woollen goods likewise.

2682. Did you ever carry any cotton twist to China?—I think, a small quantity, but that trade had not then acquired any great extent.

2683. At what period were you last at Canton?—I was there last in 1824.

2684. As the Americans carry on a considerable trade with the Chinese, do they carry it on through the same system of agency, and with merchants of the same character as those who deal with the English?—Precisely in the same manner.

2685. And they meet with the same facility?—Precisely.

2686. From your observation of the Chinese, are you of opinion that if this

trade

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trade was thrown open in the same manner as every other trade carried on from this country, there would be a great increase in the demand for British manufactures and British produce in China?—I think there would ultimately, but not immediately; there would be some increase immediately, but of course, that, like all other trades, must increase gradually.

2687. Have they any dislike to British manufactures?—Certainly not.

2688. Do you think they would be induced to purchase them by the same considerations which prevail in every other part of the world, namely, their cheapness and their excellence, as compared with the cheapness and the excellence of light goods, either the productions of their own country or of other countries with which they trade?—Undoubtedly; I see them regulated by the same considerations as other people now, and I conceive they would be when the trade was open. I can see no reason why it should change their natures.

2689. Should you say it is a just distinction, speaking of the Chinese nation, to say that the people are speculative and much disposed to foreign trade, although the government is professedly adverse to communication with foreigners?—Yes, certainly; the government may be said to be so far adverse to trade, that it is jealous of you, knowing what you have done in India, and it is apprehensive of your intrusion; but so long as they may be secure that nothing else would be attempted, they are as desirous of carrying on the trade as the people themselves.

2690. Although the government professes jealousy in its intercourse with foreign nations, do not the servants of the government afford facility to that intercourse from the consideration of the advantage they derive from it?—I cannot say that the government *does* profess any such feeling; it is believed to be so, but I do not know that they absolutely *profess* it.

2691. In point of fact, are any difficulties thrown in the way of commerce by the servants of the government?—Certainly not; they have every desire for it, because they derive all their emoluments from it; almost all offices in China are bought. The Hoppo at Canton buys his office at a large price, and if the trade were stopped he would lose his emoluments, and he would have no redress from the government.

2692. Was there any interruption to the trade when you were at Canton, in consequence of any irregularities or difficulties?—There was an interruption occasioned by the supercargoes of the Company themselves. Some men had been killed by the Topaze frigate, and two men were demanded in lieu of them; for two years they were told that the British Government would be applied to; in the third year they insisted upon a decisive answer as to those men; they were told that they were men under the King's control, over which the Company had no power, and therefore they could give them no answer about it, and the Company's ships were not permitted to go to Whampoa, lest they should not afterwards be permitted by the Chinese to quit the country. This interruption, I think, continued for nearly two months; and the Chinese finding that the Factory were determined not to give up the point, at last yielded, and sent a message that the King of England might punish those men; the trade was then opened again and all went on as before.

2693. What year was that in?—I think it was in 1822.

2694. Are you aware of any other interruption arising out of the difficulties with the Chinese authorities, or with the Chinese people?—Not while I was in China.

2695. Do you know of any interruptions that have have arisen in the American trade?—Not while I was in China, but I have heard of such an interruption, on the occasion of an Italian sailor, who was on board one of their ships, having been supposed to have killed one of the people.

2696. Are you aware of any difficulty or interruption that has occurred in the country trade?—None but where the ships have committed some irregularity, and that has been but momentary.

2697. In that case, has the interruption been confined to the ship that has so offended, or has it been extended to the trade generally?—It has been confined to the ship that has so offended; it has generally arisen from some of the Lascars attempting to smuggle opium.

2698. Has the interference of the government been confined to the ship that had been guilty of the offence?— Certainly in cases of that kind.

2699. And the others have received no molestation?—None at all.

2700. Have the Americans any public officer at Canton to transact their business

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with the government?—There is an officer there who is called the consul, but he has no power over the ships that come there. There are many nominal consuls, of different nations, in China, but they have no power. Many obtain these appointments as an excuse to reside; the Company having the power to send away all British subjects.

2701. Is not the consumption of tea quite general in China among the native population?—Quite so, so far as I have seen; but having had intercourse only with a particular portion of the empire, it is difficult to pronounce positively.

2702. Must not the whole quantity exported from China bear a small proportion to the quantity that is consumed at home?—I have always understood so from the Hong merchants.

2703. Do you understand that if there was any increased demand for tea there would be any difficulty in supplying it?—Certainly not.

2704. Supposing any interruption to occur to the trade with Canton from any political or other cause, do you suppose there would be any difficulty in the Chinese trading with Sincapore?—I am not certain whether there would or not. If the Chinese government discovered that you obtained tea by that means, it is possible that they might prevent such vessels going as would bring you a sufficient quantity; but I cannot speak with any certainty, not knowing what their regulations are with regard to their own trade.

2705. Have you ever been at Sincapore?—I have been there three times.

2706. Are there any considerable number of Chinese junks resorting to that settlement?—I have not seen many myself, but I have always understood that six or seven go there in a year, and sometimes more.

2707. Supposing the Chinese were to put a stop to the export of teas altogether, are you of opinion that the prohibition would be effectually enforced, so as to prevent its being sent to Sincapore?—I think it is extremely probable that they would be enabled still to bring it to Sincapore, but I am not certain.

2708. What do you apprehend would be the effect in China of a total prohibition of the export of tea?—It would be difficult to say. The Chinese government feel themselves to be a very rotten sort of government; they know that the people are ready to revolt in many of their provinces, and they would therefore be very cautious how they gave any cause of discontent to any part of their empire; but whether they are particularly afraid of that part of it situated near Canton I cannot tell. There are some of the provinces where they are much more inclined to revolt and to resistance than in that, particularly the province of Chichoo.

2709. You are aware that tea can be exported from other ports of China besides Canton in Chinese junks?—Yes, because it is brought to Sincapore from other parts.

2710. Is it brought from the tea provinces?—It is brought by canals to the coast, and then put on board the junks, who bring it to Sincapore.

2711. Are the junks that come to Sincapore with tea loaded at Canton, or at ports nearer to the growth of the tea?—At ports nearer to the growth of the tea, I believe; I know they are not loaded at Canton.

2712. Had you any opportunity of ascertaining that the tea exported to Sincapore is of a good quality?—I believe not, because a good quality is not wanted; it is for the use of the Chinese there, who are of a very low description, and who therefore require only very cheap tea.

2713. Do you think the Chinese government could more effectually prevent the exportation of tea than it does the importation of opium?—Perhaps it might more effectually, because tea is a more bulky article.

2714. From all its ports?—From all its ports, in the same proportion as to the two articles of course.

2715. Is the exportation of tea by the Chinese junks to Sincapore an illegal trade or a permitted trade?—It is a permitted trade, I believe.

2716. Do you know whether the duty paid upon the exportation of tea in a Chinese vessel is lower than it is upon the like article exported in a foreign vessel?—I am not aware whether it is or not.

2717. Is not Sincapore too new a settlement for you to be able yet to form an opinion of what effect that step may have upon the trade of China?—Yes, I suppose it may be.

2718. Do you know, of your own knowledge, where the tea sent to Sincapore is shipped from in China?—No, I do not; I only know it is not shipped at Canton.

2719. Is

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2719. Is it not shipped from ports nearer to the growth of the tea?—So I have always understood; of course I have no positive knowledge.

2720. Can you state what the relative prices of tea, of the same quality, at Sincapore and at Canton are?—No, I cannot, never having inquired.

2721. Have you heard, whether upon the whole it is cheaper or dearer at Sincapore?—I cannot say. It would of course be dearer than the same tea bought by the Chinese at Canton not exported and paying no duty.

2722. Do you happen to know whether the Chinese government exact the same measurement duty, and the same dues from their own junks as they do upon foreign shipping?—I do not know; I should suppose not, from their desire to impose upon foreigners as much as they can.

2723. Then of course they could navigate much cheaper in those junks than the foreign ships could navigate?—I should suppose so.

2724. Is it not the case that those ships frequently do clear out for one port with an intention to go to another if the market suits them?—I conceive they would have no difficulty in going where they pleased, the Chinese government having no means of knowing where they went to after quitting the country.

2725. What do they take back from Sincapore to China?—They take back tin, rattans, betel-nut, if it can be obtained.

2726. Any British manufactures?—I dare say they do.

2727. Have you a personal knowledge of this trade by junks?—Yes; I have seen the junks at Sincapore.

2728. Are you aware whether the exportation of tea in native vessels is prohibited by an edict of the Emperor of China?—No; I stated that as far as I knew it was perfectly legal. I never heard that it was contrary to their laws.

2729. Is not tea exported from China to every part of the Eastern Archipelago in considerable quantities for the consumption of those countries?—I have always understood so.

2730. If the trade be an illegal trade from China to Sincapore, would it not follow that it must be without any export duties?—Of course there would be no charges but fees to the Mandarins, who will always allow themselves to be bribed.

2731. But to the best of your belief it is a legal trade?—I believe so.

2732. Can other parties procure teas of equal quality at Canton with the teas purchased by the East India Company?—The tea required for the Indian market is generally of a superior description to that brought to England, and is obtained very readily; but of course the quantity of it is not so great. I have no doubt that any quantity of tea of any quality might be obtained by making engagements for it the year previous.

2733. When you say that the quantity is not so great, is the reason of the quantity being so small that the demand in India is more limited, or that a supply in China could not be obtained?—Entirely because the demand is limited.

2734. Are you then of opinion that the India Company, if they chose to contract for it beforehand, and to stipulate for it, could procure a better quality of tea than they now habitually import?—I have always understood so from the Hong merchants and the Chinese; but those finer kinds of tea, either from the depraved tastes of the English, or some other cause, are not relished in this country.

2735. Does any quantity of that very fine tea come here?—Yes; there is some proportion of it comes here.

2736. Are you speaking of green or black tea?—Black tea.

2737. Do you know any thing of the tea that comes by land through Russia?—I know nothing of it but from report. I have always understood that it is of a very superior quality to that obtained in this country.

2738. Are the teas you mentioned as being carried to India known by any particular name in this country?—Yes; Pahoe or Pekoe is the finest of their teas; and Pouchong is another, it is a very delicate tea, wrapt up in papers.

2739. Have you ever heard at Canton that the Company procure the best teas for the English consumption, in consequence of paying a higher price than the private traders?—They have no rivals in the English market, therefore of course they obtain what teas they please.

2740. Have not they rivals in the Americans and other traders?—Yes, but the Americans chiefly take the green tea. I think perhaps they may obtain better tea than the Americans, by making engagements for the tea the year previous, and paying a larger price.

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2741. Do you think the Company procure their teas at the cheapest price at which that quality of tea could be procured?—No. I have always understood that they pay more for it than the same quality would be paid for by the private merchant. Sometimes when I have wished to purchase tea of the Hong merchants, they told me they must wait till their teas had been examined by the Company, and chosen, and then that they would sell me what remained: they always look upon their trade with the Company as their greatest advantage.

2742. Is not the largest dealer likely to be the best supplied with tea, and to buy it at the cheapest rate?—I do not think he buys at the cheapest rate, but he will be the best supplied.

2743. Having the greatest command of the market, will he not be able to deal upon better terms?—He could if he tried, but the Company does not try.

2744. Why do not they try?—I do not know; it may not be their interest.

2745. With respect to that very fine quality of tea, do you know what would be the price of that as compared with the best sort of black teas that come here?—It is almost at any price; I have heard of it being as much as four or five dollars in China.

2746. Do you know the prices which the Company pay for their teas?—I do not know the prices.

2747. How do you know that they pay higher prices than individuals?—Because though I cannot state the prices now, I heard them at the time, and they appeared to me to be higher.

2748. Might not the quality compensate for the price?—I do not think it did.

2749. Why not?—Because it was not as good.

2750. Did you examine it?—Yes; I have seen the teas myself.

2751. Was the tea offered to you, tea that had been rejected by the Company?—Yes.

2752. You have stated that the consumption of India is the very finest quality of black tea?—Not the very finest, but superior to that generally brought to England.

2753. Did you pay a higher or lower price than the Company?—I suppose that I paid a higher price than the Company, because the tea was very superior to that generally bought by them.

2754. When you bought the tea which you supposed to be of equal quality, did you pay a higher or a lower price than the Company?—I imagine that I bought it upon better terms than they did.

2755. Why should the Company pay a higher price than they could obtain the article for?—I can hardly say; I suppose it must be from want of sufficient diligence in their servants.

2756. Is it considered to be a very profitable thing for one of the Hong to have a share in the Company's trade?—They look upon it as one of their chief profits.

2757. Is the value of that share known?—The precise value is not known, but it is always considered more desirable to obtain than that of any other dealer.

2758. May not that be on account either of the great demand of the Company, or of their giving a better price?—I have understood that it was on account of the better price, as well as on account of the greater quantity.

2759. Are you speaking of black or of green tea?—Of both; but in comparing the prices given by the Company and by private merchants, I am speaking of black tea chiefly.

2760. Is not the consumption of tea in India confined to green tea?—At Calcutta it is, but at Bombay the consumption is almost entirely of black.

2761. Did you ever hear that the value of a share in the supply of black tea to the India Company by the Hong merchants was considered 40,000 dollars?—I never understood what it precisely was; I always understood it was considered by them as a bonus beyond what they could get from any private trader.

2762. Supposing that an edict on the part of the Chinese government could be produced, prohibiting the exportation of tea from all parts of that empire, excepting Canton, would you not consider that as a strong demonstration of the anti-commercial spirit of the Chinese government?—I should consider it as a government not having very enlightened views of commerce; but it might be to guard themselves against smuggling from a great number of ports.

2763. You have stated, that you as an individual could purchase tea at a cheaper rate of the same quality as the East India Company, do you attribute that to your paying

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paying money instead of paying part in goods, or to any other cause?—I can hardly say to what cause to attribute it; I only say that it exists.

2764. Do you know the fact, that an individual pays in dollars, and that the Company pays partly in goods?—I know that if you pay in dollars you can buy upon far better terms.

2765. Do not the Hong merchants, when they have obtained a share of the Company's trade, pay a considerable sum to the Hoppo in consideration of that share?—I do not know.

2766. Do you know, when you yourself transacted business, whether any thing was paid by the Hong to the Hoppo on account of that business?—I do not know.

2767. Are there any goods that are reckoned prohibited goods in China exported by the country ships?—A large quantity in almost every ship; they chiefly consist of cassia and a coarser kind of silk, upon which the duties are too heavy to be taken in the regular way; they are therefore bargained for with the outside merchants, to be smuggled on board the ship, and it is done with as great facility as the regular trade, the Mandarins being all fee'd, and permitting it.

2768. Did you ever know any interruption to this irregular trade?—None whatever; it is as easily carried on as the regular trade.

2769. Did you ever export silver from China?—I have taken it, but that has been regularly shipped; that is, I had a chop for it.

2770. Is a large portion of the assorted cargoes exported from China articles prohibited, or subject to such duties that they are generally smuggled?—Yes.

2771. And that with the knowledge and connivance of the Mandarins?—Certainly. There is an island near Whampoa, called French Island, where those smugglers live. Goods intended to be smuggled are sent to French Island, and you receive notice the night before at what hour the cargo will be brought; the Mandarins then surround the ship, and wait for the smuggling boat; when it comes alongside they send a man in a canoe to count the packages, that no more may be brought to the ship than they have received their fee for. In fact, their whole government is one system of corruption from top to bottom.

2772. Do not you think that the facilities they afford to smuggling arise from an anxious desire to extend their foreign commerce?—Certainly, in the people, not in the government, of course.

2773. In the officers of the government, do you attribute it to a desire to obtain a suitable remuneration in return for the sum of money they have given for their offices?—Certainly.

2774. It being notorious that all those offices are paid for?—So I have always been told.

2775. Do you happen to know what is the freight paid at Canton for the tonnage allowed to the officers in the Company's regular service?—It has throughout the different years I have known it varied from 45*l.* to 60*l.* per ton in the regular Indiamen.

2776. Is that the price at which they can let out a ton of their privilege from Canton to England?—Certainly; I know it, because when I was meditating my return to Europe, I was desirous of sending things by means of the Indiamen, and I did not think proper to do it on account of the tonnage being so high. The captains of the ships generally purchased this tonnage, and sometimes private merchants at Canton, for the purpose of making a remittance to England.

2777. Did you ever know any difficulty in procuring silk, or any other article of China produce, to any extent that was requiste for the demand of the foreign market?—I believe sometimes there may have been a scarcity of silk, but never to any great extent. With previous notice there certainly would be none, from what I have always understood.

2778. Do you think if there was a year's previous notice of any increase of demand for tea, say one third more than is now required, there would be any difficulty in obtaining it?—I should imagine not, from what I have always understood from the Hong merchants themselves.

2779. When the freight from Canton to England was from 45*l.* to 60*l.* per ton, what was the freight from Canton to Bombay?—The trade is generally regulated not by the ton but by packages in the country ships; therefore I am not prepared precisely to say what it might have amounted to per ton, but I should imagine from 10*l.* to 12*l.* at the very least.

2780. Would that be a profitable freight?—Certainly.

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2781. Do you know what the freight was on board the American ship from Canton to Boston?—I do not.

2782. Does it consist with your knowledge that there have been any teas exported from Sincapore to other parts of the world?—I do not know.

2783. You have stated that you have known of British ships manned with British seamen having made a voyage to Canton from India. Can you state their names and the names of the captains?—I know of two, certainly; and I think there was a third. One of them was the Partridge, and the other was the Hannah. The captain of the Partridge I do not recollect. The captain of the Hannah was named Haythorn. They were between 400 and 500 tons.

2784. Do you know whether the trade of other nations with China derives any assistance from the Company's Factory there?—Not in the least, I should suppose.

2785. They do not interfere either to protect or impede them?—Not in the least.

2786. Therefore, whatever is the state of the foreign trade with China, it grows out of their own arrangements, or the facilities afforded by the Chinese governmeut?—Entirely.

2787. Did you ever have any opportunity of applying to the Factory yourself for any assistance or facilities?—I never had. I have known that other people would have been desirous of obtaining their assistance, but did not apply, knowing that the Company's agents would not mix themselves up with any other business than their own. There have been several instances where the Hong merchants have failed, and the persons to whom they owed money not being paid their dividends at the times appointed have made applications themselves to the Hoppo at Canton. They collected a number of their friends, and sat themselves down at the city-gates for two or three days together, till they obtained an answer.

2788. Notwithstanding those occasional difficulties you have stated that the trade with China is carried on with more facility than any country with which you are acquainted?—I think so.

2789. What is the freight at present from Bengal or Bombay to England?—I had a letter lately from a gentleman at Bombay, who stated that it was 2 *l.* a ton, and not obtainable at that.

2790. Supposing the freight from Canton to Bombay to be 10 *l.* and from Bombay to England 2 *l.*, the same goods that are now charged at 45 *l.* to 60 *l.* might arrive by this circuitous trade at the rate of 12 *l.*?—No doubt; but I imagine that the freight of the country ships themselves is now very much reduced; because by the same letter of information before alluded to I understood that the country ships were going on in a much less prosperous way than when I was there.

2791. When you were in the command of a ship had you a supercargo, or did you manage the transactions of trade yourself at Canton?—There was a supercargo at Canton corresponding with the owners at Bombay, sometimes he went in the ship.

2792. Do you know what commission he received for the transaction of the business?—I do not exactly know; he was a native merchant, and their commission is much less than that of Europeans.

2793. Was he Chinese?—No, he was a Parsee, a native of Bombay.

2794. You have stated that you believe the country trade to be in not so prosperous a state as it was; can you assign any reasons for that diminution of prosperity?—I cannot assign any reason but one, that the chief article of export from India is cotton, and the Chinese now grow a greater quantity of cotton than they did formerly, and consequently their demand for that is not so great; a less price is also obtained for it.

2795. You have stated your anticipation of an increase of demand for English manufactures in the event of the trade being thrown open, should you continue of that opinion if you were informed that the Company already exerts itself without much success to stimulate the consumption of British manufactures?—I should continue of the same opinion, because I think private merchants would carry on their trade in a more economical way than the Company do, and therefore they would carry their goods there cheaper.

2796. Are you of opinion, from your observation, that the Company do exert themselves to the utmost of their power?—I take it for granted, from hearing it now asserted, but I do not know that it *is* so.

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2797. You stated that you conceive there would be no difficulty in obtaining additional quantities of tea; do you mean black tea, or green tea, or both?—Both; but the black more easily than the green, because the use of green is entirely confined to Europeans and Americans; consequently it would take some time to extend the plantations from which it is brought. Black tea is used throughout the Chinese empire, and what we consume of it is so small a proportion that I have no doubt a much larger supply of it might be obtained immediately.

2798. Do you think that an increase of quantity might be obtained without any increase of price?—I think it probable that at first the Chinese would demand a greater price for tea, but that would soon find its level, as a larger price could not be given with advantage, and of course, like all other things, tea would become reasonable again.

2799. Do you think the quality of the tea would be affected by the larger demand?—I suppose it might be; but the same proportion of good and bad tea would come, I dare say.

2800. Do you think as great a quantity of good tea would be procured?—I should think it could.

2801. You stated that you thought if 12 months notice were given any quantity of tea might be obtained; are you aware how long it is necessary that the tea plant should be planted before it produces the leaf?—No. But my reason for supposing that you could obtain any additional quantity is, that our consumption compared with that of the whole empire of China is so small, that I have no doubt there is sufficient tea grown without planting any more.

2802. Do you know that as a fact?—No, I have heard it from the Hong merchants.

2803. Have you ever heard any estimate of the proportion which the quantity of tea exported bore to the quantity consumed at home?—The Chinese are so ignorant of the state of their own country that they would have no means of making such an estimation, and no European could of course.

2804. Is not it true that tea is the general beverage of all the population of China?—Certainly.

2805. Did you happen to hear whether the British manufactures found their way into the interior of China, or whether they were confined to the districts adjacent to Canton?—They find their way into the interior, so far as the carriage of them will allow without rendering them too dear. They are very desirous of obtaining them, I understand, in all parts of China, particularly in many northern districts, where they require the woollens for warm clothing.

2806. When the importation of British goods has been much increased has there been any difficulty in disposing of those goods?—I have not been at Canton when such a difficulty has occurred; but no doubt it would occur if there was a great influx of goods beyond what was required.

2807. You say that tea rejected by the Company has been offered to you; have you ever purchased any of their rejected teas?—Yes, I think I have. It has been so far rejected by them, that it has been offered to them, but perhaps not examined, not being required.

2808. Was the price asked of you the same that had been asked of the East India Company?—I understood that I was asked less. I always understood from the Hong merchants that they expected to get a better price for their tea of the same quality from the Company than from any private merchant.

2809. You stated that a private merchant could buy tea cheaper and better than the Company's servants buy it; what reason do you assign for that?—It would be difficult to assign any reason; I can only state the fact as I have understood it.

2810. Are you aware that a proportion of the price of the tea is paid by the Company in articles of British manufacture, and that other traders pay ready money for it?—No; other merchants sometimes exchang articles of merchandise for their tea, as well as the Company.

2811. Does not the difference in price depend in some measure upon the thing given in exchange?—It depends so far as this, that if you pay entirely for it in money, you will get it cheaper and better.

2812. You stated that you had seen numbers of junks arrive at Sincapore, bringing tea and other goods from China. Do you consider those junks to be seaworthy?—Perfectly so.

2813. Have you ever heard of any great losses among those ships?—They are sometimes lost in the typhones in the Chinese eas, in which any ship may be

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lost. I should think them more liable to be lost than an European-built ship; they are of very rude and primitive construction.

2814. Do you consider them equally safe and commodious for carrying tea as other ships?—Taking the seasons as they do, and sailing only in the proper monsoons. I see no danger in their vessels, but as general sea-boats they are not to be compared to European ships.

2815. You stated that if you had dollars you could make a better bargain for the teas than if you had goods; from that it is presumed there is not a very ready sale for goods?—I never found any difficulty in disposing of goods, but at the same time I found much greater advantage in having dollars. I think that would be found in any other country. The merchant can do as he pleases with the money, but he can only do one thing with the article of commerce.

2816. If the goods are desirable in the market, must they not be as valuable as money?—I cannot decide the point. I can only say, that it appears not to be the case with the Chinese. If he have the money he can buy goods or not, as he pleases, but if he have the goods he can only do one thing with them.

2817. You say that you have sold in China British cotton manufactures which you have bought in India, is that trade carried on to any great extent?—No; it would sometimes be a losing trade; it has been done when cotton goods were selling at no great profit in India.

2818. Have you known it frequently done?—No; because generally goods in India sell to great advantage. They could not generally be carried to China unless they went there direct.

2819. Do you think that if there were an open trade the Chinese would consume British cotton manufactures to any great extent?—The Chinese admitting them only at one port, of course the consumption could not be extended so far as if they were admitted to other ports, but as far as they could be carried with advantage, the Chinese would be glad to buy them and use them.

2820. Could not cotton goods be smuggled with advantage to other ports?—There was a difficulty in smuggling at other ports when I was in China, but some ships with opium succeeded to a certain extent. Since I left that country, I understand that they have smuggled to a larger amount, and I suppose other goods as well as opium.

2821. Do you think that the smuggling could be carried on with the same ease at those other ports as at Canton?—I should think not, because at Canton it is systematized.

2822. Did you carry a cargo of glass bottles to Bombay?—I did.

2823. Was it a new object of commerce upon that occasion?—Not entirely new, but it was so far new that it was with great difficulty I persuaded the agent at Calcutta to put them into the ship.

2824. What was the result of it?—It was very profitable.

2825. Did you find any difficulty in selling them?—No; I wrote to the merchants at Bombay, and they had sold them before I arrived.

2826. What induced you to try the experiment?—Because I had information from Bombay that bottles were very scarce there, and they were extremely cheap at Calcutta.

2827. Do you conceive that other articles of British produce might in the same way be exported beneficially to the China market by watching the wants of the Chinese and the prices?—If a free intercourse was allowed with China direct from England, I suppose there would be always a sufficient supply of goods in the former country not to require any from India, and therefore the advantage which has existed heretofore of taking goods to China from India, when they were cheaper there, would cease.

2828. You stated that at the time of the men being killed by the Topaze frigate the Company's trade was stopped for a certain time; and you also stated that in the event of such an occurrence happening with a country ship, the trade would only be stopped so far as that ship was concerned?—Unless a man was killed, then I think the whole trade would be stopped.

2829. Do the vessels which take out cotton and other articles from India to China return with full cargoes from China to India?—Always, I believe. There

may

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may happen instances when they do not, but I have always known them go full; and no doubt a great trade might be carried on by British ships in the same way; they would do it much more economically than the country ships.

2830. When you made a voyage from India to Canton, did the license which you obtained give you the power of touching at any ports which are not intermediate between the port in India and Canton?—I suppose so.

2831. Should you have considered yourself as empowered by the license you obtained in India to bring tea from Canton in the country trade, and to have carried that tea to a port which was not intermediate between the two places, such as Mauritius, for example?—If it was out of the direct course I should not have gone there.

2832. In case of the interruption of the trade, would it require a very large number of junks to bring tea enough to Sincapore for the supply of Europe?—A much larger number than now come, and it could not be immediately done. The junks are large vessels, but as it now takes 20 to 23 Indiamen, of 1,200 to 1,300 tons each, to bring us tea every year, and as only six or seven junks visit Sincapore yearly, their number must be much increased before they could bring sufficient tea in case the trade with China was interrupted. I do not, however, myself think any such interruption is to be apprehended, as I have always understood the Chinese government is as anxious to obtain the duties levied upon the tea there as ours is to obtain the duty upon it here.

2833. What number of junks have you ever seen at one time in the Canton river?—I think I have never seen more than two of the large size, but the smaller ones are innumerable.

2834. Do not you think that the number of junks that are constantly in the Canton river at all periods of the year would afford tonnage sufficient to supply Great Britain with tea for one whole season, at any time?—I have no doubt, if they were permitted to go; but I have some doubt whether they *would* be permitted to go with tea; their object would be suspected.

Mr. *Charles Everett,* called in; and Examined.

Mr. *C. Everett.*

2835. YOU are a commission merchant?—I am an American commission merchant.

2836. You have been engaged for 11 years, since the year 1818, in purchasing goods for the China market, on account of American merchants?—I have.

2837. How have those goods been principally shipped to Canton?—They have been principally shipped by American vessels direct to China.

2838. Direct from London, or to the United States, and there re-shipped?—Principally direct. Some few have been sent to the United States.

2839. Have you not had in your hands a very considerable portion of the American trade in woollens to China from this country?—I have.

2840. Were you one of the first agents employed in England in this business?—I was.

2841. In what manner had the Americans formerly made their remittances to China?—Principally in specie and opium from the United States and elsewhere.

2842. Have you with you a statement of your annual purchases of woollen and cotton goods?—I have an abstract, marked (A.) of all the shipments I have made from the year 1818 to January 1829, and a table marked (B.)

[*The witness delivered in the same, which are as follows:*]

(A.)

ABSTRACT of Shipments, from 1818 to 1829.

	Packages.		£. s. d.	£. s. d.
Ophelia:		Canton:		
July 1818 -	9	58 pieces cloths - - - - - - - -	1,136 8 11	
Roxana:		Boston:		
Sept. 1818 -	4	29 pieces cloths - - - - - - - -	672 18 3	
				1,809 7 2
Augusta:		Gibraltar and Canton:	£. s. d.	
July 1819 -	68	1,344 pieces bombazetts - -	3,662 5 6	
	1	20 – camlets - - -	144 2 –	
	75	1,500 – long ells - - -	4,607 14 –	
	33	200 – cloths - - -	1,718 5 –	
			10,132 6 6	
Ophelia:		Canton:		
Dec. 1819 -	8	80 pieces camlets - - £.	585 3 9	
	264	1,824 – cloths - - -	15,170 4 8	
	10	200 – long ells - - -	561 – –	
			16,316 8 5	
				26,448 14 11
Robt Edwards:		Canton:		
March 1820	286	2,867 pieces camlets - - £.	20,571 – 5	
	50	1,000 – bombazetts - -	1,641 15 8	
	141	2,820 – long ells - - -	7,865 8 2	
	150	786 – cloths - - -	6,518 19 7	
	2	100 – cottons - - -	191 5 2	
			36,788 9 –	
Canton Packet:		Gibraltar and Canton:		
May 1820 -	100	1,000 pieces camlets - - - £.	7,042 8 8	
	205	4,100 – bombazetts - -	9,139 6 6	
	6	24 – cloths - - -	208 15 10	
	9	180 – long ells - - -	505 6 10	
	80	1,388 – cottons - - -	2,492 5 –	
			19,388 2 10	
Houqua:		Canton:		
July 1820 -	180	3,600 pieces bombazetts - - £.	8,333 2 8	
	84	839 – camlets - - -	5,486 14 10	
	54	1,080 – long ells - - -	3,074 18 2	
	117	702 – cloths - - -	5,330 18 4	
	20	2,000 – cottons - - -	1,378 13 9	
			23,604 7 9	
Augusta:		Canton:		
Nov. 1820 -	20	670 pieces cottons - - £.	1,766 6 5	
	554	4,540 – camlets - - -	30,277 9 2	
	130	2,700 – bombazetts - -	5,927 10 7	
	330	1,982 – cloths - - -	17,169 13 6	
	74	1,480 – long ells - - -	4,159 17 8	
	20	sundries - - - - -	557 7 5	
			59,858 4 9	
				139,639 4 4
Cordelia:		Canton:		
Jan. 1821 -	305	7,235 pieces cottons - - - £.	8,156 7 8	
	23	238 – camlets - - -	868 7 5	
			9,024 15 1	
Nautilus:		Canton:		
April 1821 -	113	1,125 pieces camlets - - - £.	7,817 12 2	
	130	2,600 – bombazetts - -	7,084 17 1	
	177	3,540 – long ells - - -	9,394 17 6	
	552	3,570 – cloths - - -	33,927 16 4	
	227	6,800 – cottons - - -	7,967 2 1	
	32	sundries - - - - -	1,741 6 2	
			6,793 11 4	

	Packages.		£. s. d.	£. s. d.	£. s. d.
Ophelia:		Canton:			
Aug. 1821 -	169	5,836 pieces cottons - - -	8,836 19 7		
	20	400 – bombazetts - -	1,090 18 5		
	5	100 – long ells - - -	321 14 2		
	150	1,500 – camlets - - -	9,959 17 6		
	50	sundries - - - - -	3,023 – –		
				23,232 9 8	
					190,190 16 2
Clarissa:		Batavia:			
March 1822	172	8,590 pieces cottons - - -	£. 8,154 17 1		
	26	240 – cloths - - -	1,770 9 6		
	20	400 – long ells - - -	957 1 6		
	32	sundries - - - - -	2,469 9 4		
				13,351 17 5	
Canton Packet:		Canton:			
Sept. 1822 -	230	2,300 pieces camlets - - - - - -		15,116 5 –	
					28,468 2 5
Levant:					
March 1823	50	500 pieces camlets - - -	£. 2,972 12 8		
	240	4,800 – long ells - - -	8,209 3 3		
	48	2,730 – cottons - - -	5,705 3 –		
	76	586 – cloths - - -	5,459 6 10		
	40	sundries - - - - -	2,089 19 2		
				24,436 4 11	
Augusta:					
May 1823 -	291	5,820 pieces long ells - -	£. 12,413 7 –		
	207	1,770 – cloths - - -	9,352 12 6		
	89	5,284 – cottons - - -	7,485 16 8		
		100 tons iron - - - -	1,181 14 4		
	138	sundries - - - - -	5,637 15 2		
				36,071 5 8	
London Packet:		Boston:			
July 1823 -	50	1,000 pieces long ells - - -	£. 2,244 9 5		
	10	100 – camlets - - -	561 11 4		
	28	sundries - - - - -	1,612 4 10		
Via Liverpool -	40	400 pieces camlets - - -	2,122 5 2		
				6,540 10 9	
					67,048 1 4
Duxbury:		Boston:			
Feb. 1824 -	25	1,148 pieces camlets - - - - - -		1,329 17 10	
Houqua:					
Aug. 1824 -	392	23,250 pieces cottons - -	£. 21,499 13 –		
	186	3,660 – long ells - - -	7,440 9 –		
	40	400 – camlets - - -	2,430 11 8		
	391	2,640 – cloths - - -	20,521 – 11		
	41	sundries - - - - -	1,212 10 6		
				53,104 5 1	
Nautilus:		Canton:			
Dec. 1824 -	150	1,500 pieces camlets - - -	£. 8,726 3 –		
	404	2,840 – cloths - - -	23,149 2 1		
	110	2,200 – long ells - - -	4,224 4 4		
	559	28,662 – cottons - - -	28,085 18 8		
	177	sundries - - - - -	7,061 12 9		
				71,247 – 10	
					125,681 3 9
London Packet:		Boston:			
Feb. 1825 -	10	900 pieces cottons - - - - - -		443 – –	
Via Liverpool:		Boston:			
April 1825 -	81	6,583 pieces cottons - - - - - -		5,918 2 2	
Ocean:		Boston:			
May 1825 -	25	500 pieces long ells - - - - - -		1,047 11 –	
					7,408 13 2

(*continued*)

	Packages.		£. s. d.	£. s. d.	£. s. d.
Houqua:		Manilla:			
Feb. 1826 -	379	28,087 pieces cottons - -	22,525 19 2		
	20	220 – cloths - - -	2,059 17 2		
	5	100 – long ells - - -	206 – –		
	5	50 – camlets - - -	350 – –		
	2	50 – bombazetts - -	145 9 2		
	17	sundries - - - - -	1,826 17 10		
				27,114 3 4	
Nautilus:		Canton:			
March 1826	206	2,060 pieces camlets - -	£. 13,105 17 –		
	363	2,208 – cloths - - -	29,020 2 6		
	448	20,890 – cottons - - -	23,192 1 4		
	90	1,800 – bombazetts - -	5,120 6 6		
	75	sundries - - - - - -	6,927 4 2		
				77,365 11 6	
Milo:		Canton:			
July 1826 -	483	3,020 pieces cloths - - -	£. 20,699 2 2		
	100	2,000 – long ells - - -	3,941 10 6		
	40	4,000 – cottons - - -	1,290 4 9		
				25,930 17 5	
Danube:		Canton:			
Aug. 1826 -	558	3,588 pieces cloths - -	£. 23,881 8 6		
	20	200 – camlets - - -	1,200 – –		
	289	12,528 – cottons - - -	9,543 18 1		
	25	sundries - - - - -	3,209 14 3		
				37,835 – 10	
					168,245 13 1
Milo:		Canton:			
Aug. 1827 -	204	11,258 pieces cottons - -	£. 11,990 8 1		
	50	500 – camlets - - -	4,333 12 2		
	84	508 – cloths - - -	3,219 16 11		
	13	sundries - - - - -	1,441 18 4		
				20,985 15 6	
Houqua:		Canton:			
Sept. 1827 -	399	32,690 pieces cottons - -	£. 17,629 8 1		
	70	700 – camlets - - -	3,802 19 10		
	16	sundries - - - - -	3,278 12 8		
				24,711 – 7	
					45,696 16 1
Dorchester:		Boston			
Feb. 1828 -	7	Sundries - - - - - - - -		2,025 8 –	
Augusta;		Canton:			
April 1828 -	140	7,000 pieces cottons - - -	£. 7,116 17 2		
	120	1,200 – camlets - - -	6,376 2 6		
	24	sundries - - - - -	2,697 19 2		
				16,190 18 10	
Nautilus:		Canton:			
July 1828 -	150	1,500 pieces camlets - - -	£. 7,808 2 6		
	196	1,300 – cloths - - -	10,835 4 –		
	45	900 – bombazetts - -	1,838 17 6		
	100	2,000 – long ells - - -	3,347 6 6		
	142	10,095 – cottons - - -	6,414 2 11		
	92	sundries - - - - -	3,021 11 6		
				33,265 4 11	
					51,481 11 9
	14,392	*Packages.*		£.	762,118 4 1

About 80,000 *l.* value of the cargoes of the Nautilus and Houqua were purchased in 1825, and the shipment delayed until 1826.

London, March 6th, 1830.

Charles Everett.

(B.)

TABLE showing the Quantities of each Article and Amount Shipped.

DATE.	CLOTHS:		CAMLETS:		LONG ELLS:		COTTONS;		SUNDRIES:	TOTAL.
	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Pieces.	Amount.	Amount.	
		£. s. d.		£. s. d.		£. s. d.		£. s. d.	£. s. d.	£. s. d.
1818 - -	87	1,809 7 2	- -	- - -	- -	- - -	- -	- - -	- - -	1,809 7 2
1819 - -	2,024	16,888 9 8	100	729 5 9	1, 0	5,168 14 -	- -	- - -	3,662 5 6	26,448 14 11
1820 - -	3,494	29,228 7 3	9,246	63,377 13 1	5,560	15,605 10 10	4,158	5,828 10 4	25,599 2 10	139,639 4 4
1821 - -	3,570	33,927 16 4	2,863	18,645 17 1	3,640	9,716 11 8	19,871	24,960 9 4	12,940 1 8	100,190 16 1
1822 - -	240	1,770 9 6	2,300	15,116 5 -	400	957 1 6	8,590	8,154 17 1	2,469 9 4	28,468 2 5
1823 - -	2,356	14,811 19 4	1,000	5,656 9 2	11,620	22,866 19 8	9,010	13,190 19 8	10,421 13 6	67,047 - 4
1824 - -	5,480	43,670 3 -	3,048	12,486 12 6	5,860	11,664 13 4	51,912	49,585 11 8	8,274 3 3	125,681 3 9
1825 - -	- -	- - -	- -	- - -	500	1,047 11 -	7,483	6,361 2 2	- - -	7,408 13 2
1826 - -	9,036	75,660 10 4	2,310	14,655 17 -	2,100	4,147 10 6	65,500	56,552 3 4	17,229 11 11	168,245 13 1
1827 - -	508	3,219 16 11	1,200	8,136 12 -	- -	- - -	439,408	29,619 16 2	4,720 11 -	45,696 16 1
1828 - -	1,300	10,835 4 -	2,700	14,184 5 -	2,000	3,347 6 6	17,095	13,531 - 1	9,583 16 2	51,481 11 9
TOTAL	28,095	231,822 3 6	24,767	152,988 16 7	33,380	74,521 19 -	226,571	207,784 9 10	95,000 15 2	762,118 3 1

London, March 6, 1830.

Charles Everett.

Mr. *C. Everett.*
9 March 1830.

Mr. C. *Everett.*

9 March 1830.

These Statements show the amount and dates of the shipments by each vessel, also the quantities and value of several leading articles; distinguishing the amount of cottons, woollens, and sundry other goods. I have purposely omitted giving information respecting any new articles prepared by me for the China market, as it might prove injurious to those concerned; and although I am not at present engaged in continuing the extensive trade I have been instrumental in opening for the manufactures of this country, I wish to avoid doing anything against the interest of my late employers.

2843. What was the greatest year?—The greatest year was 1826: but I would remark that of the amount that year, part of the goods were purchased, and they were intended for shipment in 1825, but were detained here in consequence of a failure; the amount was 168,245 *l.*

2844. What was the amount in the year 1825?—£. 7,408. I should say that about 80,000 *l.* of the goods exported in 1826 fairly belonged to 1825.

2845. Will you state the amount of each year?—

	£.	*s.*	*d.*
In 1818	1,809	7	2
1819	26,448	14	11
1820	13,963	4	4
1821	100,190	16	1
1822	28,468	2	5
1823	67,048	1	4
1824	125,681	3	9
1825	7,408	13	2
1826	168,245	13	1
1827	45,696	16	1
1828	51,481	11	9
£.	762,118	4	1

2846. What is the aggregate amount of the 11 years?—762,118 *l.* 4*s.* 1 *d.*

2847. Can you state the aggregate amount of each description of goods?—By referring to Statement (B.) you will find, that of woollen cloths the quantity was 231,822 *l.* 3*s.* 6*d.*; of camlets, 152,988 *l.* 16 *s.* 7 *d.*

2848. Is the camlet all woollen?—Yes, the camlets are all woollen; of long ells, which are also woollens, 74,521 *l.* 19 *s.*; of cottons, 207,784 *l.* 9 *s.* 10 *d.*; and of sundry other articles, 95,000 *l.* 15 *s.* 2 *d.*

2849. Have you also a statement of the number of pieces of goods of different descriptions, and the progressive diminution in past years?—Statement (B.) shows the number of pieces of the different descriptions. I have also a paper, marked (C.), which shows the value of several articles at different periods, from 1820 to 1830, when compared with 1820.

[*The witness delivered in the same, which is as follows:*]

(C.)

A STATEMENT, showing the Value of *Long Cloths, Camlets* and *Broad Cloths,* at different Periods, compared with 1820.

Cotton Long Cloths:

In 1821	-	-	-	-	-	were	2 ½	to 5	per cent less.
1822	-	-	-	-	-	-	5	- 7 ½	—
1823	-	-	-	-	-	-	10	- 15	—
1824	-	-	-	-	-	-	20	- 25	—
1825	-	-	-	-	-	-	12 ½	- 15	—
1826	-	-	-	-	-	-	30	- 35	—
1827	-	-	-	-	-	-	35	- 40	—
1828	-	-	-	-	-	-	40	- 45	—
1829	-	-	-	-	-	-	45	- 50	—
1830	-	-	-	-	-	are	47 ½	- 50	—

Camlets:

In 1821	were	- - - 5	per cent less.
1822	—	- - - 10	—
1823	—	12½ to 15	—
1824	—	15 - 20	—
1825	—	10 - 12½	—
1826	—	17½ - 20	—
1827	—	25 - 30	—
1828	—	30 - 33	—
1829	—	37½ - 40	—
1830	are	42 - 45	—

Broad Cloths, suitable for the China Trade:

In 1821	were	5	to 7½	per cent less.
1822	—	7½	- 10	—
1823	—	- -	- 10	—
1824	—	12½	- 15	—
1825	—	5	- 10	—
1826	—	35	- 40	—
1827	—	40	- 42	—
1828	—	42	- 45	—
1829	—	45	- 47	—
1830	are	45	- 50	—

It appears from the above that nearly double the quantity of goods may be bought at the present prices for the sum paid in 1820; therefore, to form a correct estimate of the trade with China, it will be requisite to compare with the quantities, and not the amount shipped.

Long Ells are 55 per cent lower than in 1820.

London, March 8th, 1830. *Charles Everett.*

2850. Has there been a regular decrease in price from 1820 to the present time?—Excepting the year 1825, when there was a small advance.

2851. Therefore the increase in the *quantity* of goods exported would be much more than would appear upon the increase of the value?—My calculations are from 1820 to this date. 100*l.* at the present time would buy twice as many goods as it would in 1820.

2852. Have you any doubt, from the experience you have had, that if the existing restrictions were removed, the trade to China in British manufactures might be materially increased?—I have no doubt the trade might be increased to a very considerable extent by proper management, if the restrictions were removed.

2853. Have you found the trade in British woollens with Canton a profitable trade?—I am not able to answer that question fully as I have not known what the goods have actually brought; but I suppose, from general information, they have been profitable, as the shipments being continued is the strongest proof that can be offered.

2854. Do you consider that the American trade in woollens has been generally profitable?—I do.

2855. To what do you attribute that, when the Committee hear from the East India Company that their trade in woollens has been a losing trade?—I cannot account for the East India Company's losing money on woollens.

2856. Are the woollens which have been generally sent out by the American traders of a different description, or of a superior quality, to those sent out by the East India Company?—I can only answer for what I purchased myself; some of the articles have been superior to the East India Company's.

2857. Have you ever bought any of the rejected cloths of the East India Company?—Not for many years, excepting a few pieces; I speak of cloths only.

2858. Have you any reason to suppose, from what you have heard from your American correspondents, that they experience any difficulty in carrying on the trade at Canton?—I do not understand that there is any difficulty in carrying it on.

2859. And that so long as you were connected with it, they made it, upon the whole, a generally profitable trade?—I believe so.

2860. Has that trade fallen off lately?—The trade in manufactured goods has been continued lately by the house of Baring & Company.

2861. Has the trade decreased or not, lately?—I believe that it has increased the last year.

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2862. Can you state as to the two precedings years?—I should think it had increased, as considerable quantities have gone from Liverpool, shipped on account of another party, since 1821, by William and James Brown & Company.

2863. Is it within your knowledge that the trade has increased?—I refer you to my statements (A.) and (B.) respecting the shipment of woollens and cottons.

2864. Have you a statement of the export of foreign woollens, cottons and metals from the United States to China?—Yes, I have; it is drawn up from an official document, printed by order of Congress, for the years 1827 and 1828, ending the 30th of September in each year.

[*The witness delivered in the same, which was read, as follows:*]

AN ACCOUNT of the Value of Foreign and Domestic Woollens, Cottons and Metals, exported from the different Ports of the United States of AMERICA, in the years ending the 30th of September 1827 and 30th September 1828; extracted from a General Statement respecting the Import and Export of Goods Wares and Merchandise, printed by order of Congress, 10th February 1829.

	1827:		1828:	
	Foreign.	American.	Foreign.	American.
Woollens	19,264		7,210	—
Cottons, white and coloured	76,274	9,388	304,789	14,981
Cotton twist			3,574	—
Iron in pigs, bars and bolts	3,398	4,250	14,885	—
Copper in pigs and sheets	4,114		11,819	—
Tin plates	3,570		2,056	—
Lead	178,131		69,051	—
Value in dollars $.	284,751	13,638	313,384	14,981

2865. Has any cotton twist been sent from this country through you?—A small quantity some years ago.

2866. Has any been sent lately?—I believe it has been shipped lately, but not by me.

2867. Have you acted for houses in this country?—I have acted under the direction of houses in this country, but for account of American houses.

2868. Have you been employed by the house of Baring & Company?—I was employed by Bates & Baring, now belonging to the house of Baring & Company.

2869. Do you know whether other persons besides yourself have been employed as agents for purchases of this description?—I understand that Barings themselves have been purchasing goods for four vessels, three of them have gone in 1829. I can state the names of the vessels: the Milo, from London; the New England, from Liverpool; and the Margaret Forbes, from London. There is another cargo in the London Docks.

2870. Were you employed in selecting any part of those cargoes?—No.

2871. Were you employed in 1829 by any other persons in the selection of cargoes for China?—No, excepting a small amount, which I suppose went by the New England.

2872. Do you conceive the variation in the amount of exports, in different years that you have stated, to have arisen from the variation in the amount of the trade itself, or merely from a variation in your agency for that trade?—I purchased during the years mentioned the whole of the goods that the parties had from England, excepting about 8,000 *l.* of woollens and 2,000 *l.* of cottons.

2873. You do not think they have bought anything through any other channel?—Not any thing, except about 8,000 *l.* of woollens and 2,000 *l.* of cottons.

2874. Have not there been other houses shipping for American account to China, besides those who had employed you in the selection of their goods?—I have informed you that some goods went through Messrs. Browns, of Liverpool, for another party; that house and my employers are the two principal parties concerned

cerned in the trade from this country to China. I know of no others of much importance.

2875. You have stated, that you have upon some occasions bought goods refused by the Company; were those refused by the Company on account of the quality, or that they did not want any more of that description of goods?—I have bought very few rejected goods, except the article of long ells; those were rejected for being a little light in weight, or any other point which does not *exactly* come up to the Company's standard. If a long ell is *too fine*, it would not weigh enough, and of course would be rejected, so that we may select the best goods from the rejected ones.

2876. Do you consider that the long ell is the worse for the China market for being too fine?—No, I consider it much better.

2877. Do you consider yourself able to make a better selection of goods for the China market than the East India Company?—That would be too much for me to presume.

2878. Do you know how the Company purchase their goods?—They generally purchase by contract, which is not an advantageous way of purchasing.

2879. In the course of making your purchases have you found the Company in your way in the same description of goods that you were looking for?—No; I have known that when the Company offer a contract, say for camlets, or any particular description of goods, there has been a meeting of the manufacturers, and they have fixed the price at which they should tender at, and I have met with the same difficulty myself in making purchases. When *it was known* that I wanted a large quantity, I found that the manufacturers sometimes combined to hand me a price, and I have had considerable difficulty in counteracting the effects of combinations, not only in purchasing the article itself, but in every part of the finishing.

2880. Is not that the effect of any large purchaser going into the market at any time?—It would be the effect if known. The Company give *public tenders*; but if *I* go into the market, I can take care the quantity that I wish to purchase is not known.

2881. Are you not of opinion that practically considering the mode in which the Company make their purchases, you make your purchases upon more favourable terms?—I have good reasons to suppose that my goods were purchased cheaper than the Company's.

2882. Are the Americans desirous of purchasing finer goods than what are purchased by the East India Company?—When I had the management of it, my object was to get better goods than the Company's, and in most articles I have succeeded.

2883. You think, upon a general average, your goods are of at least as good quality as those of the India Company?—Yes, they have been proved so.

2884. In their respective kinds?—Yes; I must except one article; I should think the Company's long ells were superior to those I shipped.

2885. Is the Company's mark ever used in any way by the Americans?—The Company's mark I never use on the outside packages; we have copied the manner of packing and the making-up of the goods, and the number of pieces in the package, but there is never any mark on the bales, at least not of late years, which would appear like the Company's.

2886. Are the Committee to understand that the quantity of goods exported from America to Canton are altogether goods exported from this country on American account?—It is possible that some of the articles included in those may have been shipped from this country on English account.

2887. You have stated that the Company's long ells are better than the long ells you have purchased; could not you get as good long ells?—I consider that they have had them dyed and finished rather superior than what I have done. I could certainly procure the same, or even better quality than the Company's, if it were required.

2888. Do you think that an advantage on the part of the Company?—The quantity of long ells we have shipped is very small in comparison with theirs.

2889. When did the Americans begin to export British manufactures to Canton?—In 1818 I commenced the business.

2890. Can you state any reason why they did not do so before?—It was because the prices were too high to execute the orders that were sent for them; there was a small quantity of goods purchased in England, and afterwards returned to the

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United States from China as unsaleable, in consequence of the quality not being suitable for the market.

2891. In what years have you known the woollens returned from China?—Between 1816 and 1817.

2892. Are you aware of what the mark on the Company's cloth is?—Yes; I do not know exactly what they put on the bales; a divided heart, I believe, and some letters.

2893. Did you in the goods you have shipped put on a mark resembling it?—I may have done so many years back.

2894. Since 1818 have you done it?—It is barely possible; the few first shipments I recollect were marked with a mark somewhat similar to the Company's.

2895. Have you done so in the later shipments?—No.

2896. How long have you discontinued it?—I can hardly recollect. I am speaking of the outside packages; in the inside packages we have in some degree imitated the Company, but it is not the same.

2897. Did you try to assimilate your mark to that of the Company's for the purpose of making it appear that they were Company's goods?—It was necessary to have them marked in that way that they might be known as that description of goods, to give them a greater currency.

2898. Why did you discontinue the practice?—By the orders of my employers.

2899. Do you know whether the goods are marked in the same manner that are sent from America?—I do not know.

2900. Were they supposed to fetch a higher price in China in consequence of that mark?—I do not know what the reason was for putting it on.

2901. But you had been desired to make it similar?—I acted according to directions.

2902. Were not you desired to make those marks as near as possible to the Company's mark?—In respect to the manner of packing and marks on the goods, I was. The cloths bought by me are very different from the Company's, they measure two to five yards longer. I have not for five or six years marked a package any way like the East India Company's.

2903. Before that, was it not the practice to do so?—In the first few shipments it was customary to do so, but I have not done it for many years.

2904. Did you ever do that for Barings and Company?—No; I should have said it was Bates and Baring that I did business for.

2905. You have stated that you thought the cloths you bought were better than those of the East India Company; if that be so, what interest could you have in packing them in the same manner as those of the East India Company?—Because the Chinese have been accustomed to see them in that manner.

2906. If your cloths were of a superior quality, would not that have been better shown by not imitating the East India Company?—I always thought so myself, but my correspondents thought otherwise.

2907. You stated that in the course of 11 years you have exported manufactured goods for American houses to the amount of 762,118 *l.*; do you know whether to those American houses it was a losing or an advantageous trade?—I have no doubt it was an advantageous trade.

2908. Were there many of those houses interrupted in the course of their affairs afterwards?—The principal part of those purchases were for one house, who are now very rich.

2909. What is their name?—Perkins and Company, residing at Boston; one of the partners is here now.

2910. Which?—Mr. Cushing.

2911. Are not they supposed to have made their fortune in the China trade?—There is no doubt of it.

2912. Have you any means of knowing who they traded with in China, whether the outside merchants or the Hong merchants?—Principally, I believe, with Howqua and Manhop.

2913. What is the general agency-charge in this business?—I have received one and a quarter per cent commission on the purchase.

2914. Is that all you receive?—Yes.

2915. Do you know whether the house of Perkins is looking with anxiety to the decision of the question, whether it shall still be a monopoly trade or an open one?—I understand that they are about giving it up.

2916. Why?

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2916. Why?—I cannot answer for what reason; that is what they tell me.

2917. Do not Perkins and Company still continue traders?—Yes.

2918. But this particular branch of trade you understand they are intending to give up?—That is what I have heard.

2919. Do you know that Mr. Cushing has made a large fortune and has retired from business?—Mr. Cushing is worth perhaps 500,000 *l.*, and is retiring from business; he has been the acting partner in China for about 25 years.

2920. Have you opened any correspondence with any new American house in consequence of Perkins's house intending to give up the trade?—No.

2921. Have not you heard that the house of Perkins and Company owe their chief fortune to the opium trade?—To the China trade; the opium trade is of course included in it.

2922. From your knowledge of the trade, as far as you have been employed as a commission agent, are you of opinion, that if we had as free an intercourse with China as the Americans have, the trade between England and China would be the principal trade carried on with China?—I have no doubt it would be very beneficial to England to have a free trade, but whether it would be the principal trade with China, I cannot tell.

2923. Do you think any other country would be a rival with this country in the export of manufactured goods to China?—No, decidedly not at present. But the Germans are improving in their manufactures, and may soon rival yours in woollens, unless your ports are opened for the produce of the Continent, so as to equalize the price of provisions. And if you would admit American flour, &c., it would greatly increase the export of goods to the United States as well as China, and by advancing the prices of their broad stuffs, complete the overthrow of their cotton and woollen factory.

2924. Is there any nation now that rivals the British in the China trade?—Not that I am aware of, excepting the Americans.

2925. Do they rival the English trade now?—Certainly they do.

2926. To any great extent?—There is no doubt they are carrying on a very large trade with China.

2927. Is any other trade with China equal to the English trade?—Not in manufactured goods, certainly.

Mr. *Abraham Dixon*, called in; and Examined.

Mr. *A. Dixon.*

2928. YOU are a foreign commission agent, residing at Leeds?—Yes.

2929. In what other lines of business have you been employed?—I have resided in Leeds about two years; seven years previous I resided in Huddersfield, in the same line of business.

2930. Did you ever carry on business as a Blackwell-hall factor and merchant?—From the year 1795 to the year 1822 I resided in London, and during the whole of that time was engaged in the business of a Blackwell-hall factor and merchant.

2931. What is a Blackwell-hall factor?—An agent for the sale of cloth manufactured in the West of England.

2932. During any portion of that time were you interested in a concern in Yorkshire, for the manufacture and dyeing of coarse cloth for the use of the army and the East India Company?—I was.

2933. Have you had any dealings with the East India Company in cloths?—From the year 1795 to 1807 I was clerk with a Blackwell-hall factor, who also was connected in the same trade; and from 1807 to 1822 I carried on business myself, in conjunction with other parties, as a Blackwell-hall factor and merchant, and also up to the end of 1825.

2934. With what articles of woollen have you been in the habit of supplying the East India Company?—All the different kinds of cloth; they buy superfine or Spanish stripes, white and striped list cloths, medley cloths, and kerseymeres.

2935. Do you consider that there are any other descriptions of cloths, besides those exported by the East India Company, which are suited to the China market?—Formerly, to my knowledge, a fine and stouter description of cloths was sent by the Russians to China, which I occasionally supplied to merchants in St. Petersburgh and Moscow; also a coarser and a finer description of cloth than what the East India Company generally send out to China is sent out by the Americans.

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2936. Do you believe, from any circumstances within your knowledge, that the very coarsest descriptions of cloths might be exported to China with advantage?—I believe, from the information I have had from Americans and others, and also from the evidence that was given before the House of Commons by Mr. Grant, and also by Mr. Roberts, in 1821, that the very coarsest description of cloth that is manufactured in this country, which can be dyed the colour that is required in China, would be saleable to a greater extent than any other description of woollen in that country; for both those gentlemen stated, that the bulk of the Chinese have it not in their power to purchase the cloth which the Company send out, and for that reason I should suppose the coarsest cloth would be the most suitable.

2937. Do you know anything of the nature and extent of the trade in woollens, carried on by Americans between this country and China?—Yes. I do.

2938. What are the description of woollens chiefly sent out by the Americans?—The same sort sent out by the East India Company; also a fine and stouter cloth, and also a coarser and a lower-priced cloth.

2939. In the finer description of cloths do you conceive that the article sent out by the American merchants is equal to that sent by the East India Company?—They send a considerable quantity of better quality than the East India Company send out.

2940. Is that which they send of the same description of an equal quality with what the Company send?—Yes, indeed, exactly the same.

2941. Do they obtain it as cheap?—I believe they do; and I may say perhaps more correctly, that they obtain it cheaper.

2942. Do you consider that they have any greater facilities, and what are those facilities?—The principal advantage that the Americans have over the East India Company is, in having the cloths from Leeds, where they are dyed a great deal cheaper than in London.

2943. Have they also any advantages resulting from late improvements in the manufacture, which the East India Company, by their mode of proceeding, are debarred from possessing?—Very considerable improvements have been made in the manufacture of fine cloth at Leeds of late years, all of which the Americans have the advantage of, whilst the East India Company are debarred from it, from the nature of their contracts, and the mode in which they purchase their cloth.

2944. Will you state in what mode the East India Company make their purchases of cloths?—Always by tender and contract.

2945. Do you consider that to be an advantageous mode of dealing?—No, I do not; in consequence of the objectionable clauses which are in those contracts, the parties tendering for the cloth, in order to save themselves, must make an addition to the price, in order to cover the rejections which they are subject to, and other inconveniences and expenses which they are at.

2946. Is the decision of the overlooker of the Company upon the goods which are sent up final, or is there any appeal from it?—There is no appeal whatever from it.

2947. Where is the objection made when the goods are sent to London?—In London, by the overlookers employed by the East India Company.

2948. Then the goods are sent up, and if they are not strictly in accordance with the terms of the contract, they are rejected in London?—They are.

2949. The manufacturer then incurs the expense of their transfer to London?—Yes.

2950. Is there any difficulty in obtaining a sale for rejected cloths?—Sometimes there is a difficulty, at other times not, it depends upon the nature of the demand; formerly the rejections of the East India Company were sold to the Mogadore Jews, and nearly altogether used for that trade; but lately a considerable quantity has been sold to private traders trading to India and to China.

2951. Is there also an inconvenience arising from the mode of conducting business by the East India Company, from their goods being transmitted through agents in London, and an additional expense incurred by the commission paid to them?—Certainly that adds to the expense of the goods. During the time I was engaged in business in London, the charge for such business was three per cent, which was charged

charged to the manufacturers for delivering the goods and attending to the necessary business.

2952. Were there any other fees to be paid?—There were fees also paid at the India House.

2953. Can you state the amount of those?—The proportion of the fees is different; sometimes they were 6 *d.* per cloth, but sometimes the fees are 1 *s.*, and even 2 *s.* per piece.

2954. In the rejection of their cloths you stated that the overlooker's decision was final; is that decision often made on trifling grounds?—I have understood that the overlookers have strict orders to attend to the contract, which states, in speaking of the fine cloths, that each cloth must weigh 32 pounds, and that if it is under that weight he has a power of rejecting it.

2955. Then, though the rejection must be according to the strict letter of the contract, it still may be on very vexatious grounds to the manufacturer?—Certainly.

2956. Is it the case to such a degree that manufacturers generally exhibit a decided preference for dealing with any other customer rather than the East India Company?—It is. A great many of the most extensive manufacturers in Yorkshire will not enter into contracts with the East India Company, nor supply them with cloth under those contracts.

2957. Supposing the cloth should be short of weight, would that be a ground for rejection?—Certainly.

2958. Would you consider that to be any deterioration to the quality of the cloth?—In making a large quantity of cloths, it is impossible to have them all exactly the same weight, some will be a little over and some will be be a little under.

2959. Supposing a private merchant to take a quantity by contract, what would be his practice supposing he found a proportion under weight?—He would take it.

2960. Would he take it without any reduction of price?—If the difference was not much he would take it without any alteration of price, because if some are a little thinner, others would be a little stouter.

2961. You consider this then to be a vexatious ground of rejection on the part of the Company?—Certainly.

2962. Yet to this sort of rejection their overlookers are tied down by their rules and they can exercise no discretion?—I believe not.

2963. Are the cloths delivered to the Company dyed or undyed?—They are delivered both in a dyed and in a white state. The West Country cloths are generally delivered white, and the Yorkshire generally dyed.

2964. Are they compelled to be dyed in London?—Those which they receive in a white state are all dyed in London, the others are dyed and finished in Yorkshire.

2965. Is the operation of dyeing more expensive in London than it is in the country?—much more so.

2966. In what degree?—I have a list of the dyeing prices in Yorkshire for the principal colours which the East India Company purchase, and also of the London prices. The London price for dyeing Spanish striped cloths purple, is 2 *s.* 4 *d.* per yard, and in Yorkshire, 1 *s.* 6 *d.*

2967. Are those the prices of the present day?—Yes, at least the last prices which the East India Company paid, as I am informed, for dyeing cloth. The price of black is in London, 7 *d.* and in Yorkshire, 4 *d.*; for scarlet, London, 2 *s.* 1 *d.* Yorkshire, 1 *s.* 5 *d.*; for mazarine blue, London, 1 *s.* 6 *d.* and Yorkshire, 8 *d.* I have prepared a detailed statement of the prices of dyeing Spanish striped cloths, with the proportions generally required of each colour, in a quantity of 6,000 pieces, by the East India Company.

[*The witness delivered in the same, which is as follows:*]

Mr. *A. Dixon.*

9 March 1830.

PRICES for Dyeing Spanish Stripe Cloths; with the proportions generally required of each Colour, in a quantity of 6,000 Pieces, by the East India Company.

Pieces.		London Prices. *Per Piece of 34 Yards.*	London Prices. *Per Yard.*	Yorkshire Prices. *Per Yard.*
1,800	Purple	79/	2/4	1/6
1,560	Black	19/	7	4
840	Scarlet (Lac)	71/6	2/1	1/5
720	Mazarine Blue	51/6	1/6	8
480	*Dark Brown	29/	10	9
420	Light Blue	29/	10	8
60	*Ash colour	19/	7	4
60	Saxon Green	- - -	- - -	6
60	*Deep Yellow	- - -	- - -	5
6,000				
	Popinjay	- - -	- - -	5
	*Tea colour	- - -	- - -	5
	Orange	- - -	- - -	6
	*Red	- - -	- - -	8
	Emerald Green	- - -	- - -	8
	*Light Brown	- - -	- - -	9
	Pink	according to the shade of colour		10*d.* to 1/
	Rose	ditto		d°
	Aurora	ditto		1/ to 1/2
	Crimson Lac	ditto		1/6 to 1/9
	* — Cochineal	ditto		2/ to 2/9
	*Scarlet - d°	ditto		d°
	Maroon	- - -	- - -	—

*With the exception of these colours, the others are partly, and some altogether, dyed with materials the produce of India.

The London prices left blank I have not been able to procure; they can be furnished by the East India Company.

2968. Are those the colours that are principally required for the China market?—Yes.

2969. Are those cloths that are dyed in the piece, or are any of them dyed in the wool?—They are all dyed in the piece.

2970. Are any considerable portion of the dyes used the products of India?—In the list of colours I observe there are about 22 which the East India Company are in the habit of exporting; and out of these about 14 are partly, and some wholly, dyed with materials the products of India.

2971. Is a large quantity of Indian indigo used?—A considerable quantity.

2972. Are you acquainted with the circumstances of the introduction, and the progress which has been made in the improvement of the lac dye?—I am, from information I have had from the dyers and others. I think the introduction of lac into this country took place about the year 1812. For some time there was a great difficulty in producing a good colour from it; but after repeated experiments, a colour was produced equal or nearly so to cochineal in point of brilliancy, and in point of durability much superior for military purposes. It was found that the droppings of water from iron did not affect lac scarlet, whilst it discoloured the cloth dyed from cochineal; and gunpowder has a much worse effect upon cochineal scarlet, whilst it has none whatever upon those dyed from lac; and in consequence I believe it is generally preferred for military purposes.

2973. Has this article fallen in price in proportion as it has been introduced into the country?—It is difficult to state the fall that has taken place in price, though it has been very considerable, but the article has been very much improved; indeed, a much superior quality is now brought from India than what came at first.

2974. Has cochineal dye fallen in price also?—Very much.

2975. Has the East India Company ever imported any of this lac?—Very little.

2976. Do they import any now?—I believe not for many years.

2977. Is there any considerable quantity of it exported from this country?—I understand that about 60,000 pounds weight of it is exported annually to Flanders and to Germany. A few years ago I was in a dyehouse at Delph, in Holland, where they were preparing cloths for India, and the scarlets were died with lac.

2978. Do you know how much is imported into England?—About 7,000 or 8,000 pounds annually, in value about 100,000*l.* sterling.

2979. Is lac the produce of India?—It is.

2980. And brought by the private trader?—It is.

2981. Can you state when the exportation of British woollens in American bottoms to China first commenced?—In the year 1817, to the best of my recollection.

2982. Can you state what the progress has been at that trade?—In the year 1818 and 1819 there were imported into Canton 4,957 pieces of woollens, and in the year 1826 and 1827, which is the latest account I have seen, 27,176 pieces, showing an increase of 22,319 pieces in that period.

2983. What is your authority for that statement?—I obtained this from some Parliamentary documents in my possession.

2984. Are you aware that in the evidence before the Committee of the House of Lords in 1821, it was stated that British goods were imported into the China market in so trifling a degree by the Americans as to be no object of contest?—I recollect it perfectly well.

2985. Are you also aware that within a month after that time, the same gentleman who made that statement, produced a commercial letter from the supercargoes in China, containing this passage; "The very alarming inroad that is now commenced by American speculations into a trade hitherto confined to the Honourable Company, will, it is probable, soon place all certain calculation in its economy at defiance"?—I recollect it perfectly well; it interested me so much that I took a copy of it, which I have.

2986. Are you aware that in the same letter there is contained this passage, "The greatest evil, however, which we are led to anticipate from this encroachment, is, the death blow which it inflicts upon the monopoly hitherto enjoyed by the Honourable Company"?—That I recollect also.

2987. By whom was the letter received?—By the East India Company, and it was produced by Mr. Grant.

2988. Are you aware that at that time the trade, upon which this alarming inroad was said to be made, was represented by the East India Company to be a losing trade?—Yes, I am.

2989. Have you any means of knowing whether the exportation of British woollens by the Americans has decreased or increased latterly?—I have no means of knowing positively; but from my communications with American merchants and the manufacturers in Yorkshire, I am inclined to believe that it is on the increase. There is at this time, I believe, one of the largest orders that was ever given out at one time in the hands of the manufacturers in Yorkshire for the American China trade.

2990. Do you know the amount of that order?—I do not know the amount.

2991. Has the East India Company's supply of woollens to the China trade increased or decreased?—From a calculation which I have made, it appears that comparing the imports into China for the nine years preceding 1819 with the nine years following that date, the decrease has been 236,939 pieces of woollens, making an annual average decrease of 26,326 pieces; the total of the first nine years, from 1810–11 to 1818–19, was 1,821,389; the total of the second nine years, from 1819–20 to 1827–28, was 1,584,450 pieces.

2992. Is not that decrease very nearly the amount of what has been exported by the Americans?—In the years 1824 and 1825 the Americans imported into Canton 23,159 pieces; in 1826, 26,977; in 1827, 27,176 pieces. In broad cloths, imported by the East India Company into Canton, there has been an increase of 53,255 pieces in the last nine years; in long ells there has been a decrease of 262,868 pieces. In worleys, there has been an increase of 25,040 pieces; in camlets there has been a decrease of 39,970 pieces.

2993. Can you furnish the Committee with a detailed statement upon this subject?—I have prepared a statement of the quantity of woollens of the different sorts imported by the East India Company into Canton in each of the years I have mentioned; also a statement of the quantity of British woollens imported into Canton by the Americans.

[*The witness delivered in the same, which are as follow:*]

Mr. *A. Dixon.*

9 March 1830.

STATEMENT of the Quantity of British Woollens Imported into *Canton* by the *East India Company.*

Woollens:	Pieces.	Pieces.
1810 } 1811 }	237,103	
1812	242,806	
1813	242,781	
1814	258,220	
1815	224,632	
1816	161,568	
1817	175,801	
1818	133,761	
1819	144,717	
		1,821,389
1820	150,254	
1821	157,401	
1822	172,320	
1823	136,768	
1824	221,814	
1825	178,701	
1826	212,246	
1827	231,529	
1828	123,317	
		1,584,450
Decrease in Nine Years		236,939
Average annual Decrease		26,326
Broad Cloths:		
1810 } 1811 }	5,919	
1812	6,466	
1813	6,450	
1814	7,629	
1815	8,592	
1816	8,181	
1817	11,631	
1818	9,111	
1819	7,377	
		71,356
1820	8,814	
1821	12,171	
1822	13,320	
1823	12,183	
1824	12,396	
1825	13,701	
1826	19,266	
1827	20,289	
1828	12,471	
		124,611
Increase in Nine Years		53,255
Annual Increase		5,472
Long Ells:		
1810 } 1811 }	240,248	
1812	200,000	
1813	200,620	
1814	209,980	
1815	179,520	
1816	128,320	
1817	130,660	
1818	103,400	
1819	118,540	
		1,511,288
Carried forward		1,511,288

Long Ells—*continued.*		Pieces.
Brought forward		1,511,288
1820	120,640	
1821	123,000	
1822	132,600	
1823	105,000	
1824	177,180	
1825	140,000	
1826	166,000	
1827	183,940	
1828	100,060	
		1,248,420
Decrease in Nine Years		262,868
Annual Decrease		29,207
Worleys:		
1810 } 1811 }	3,460	
1812	3,100	
1813	3,040	
1814	4,060	
1815	3,940	
1816	3,360	
1817	6,000	
1818	6,000	
1819	4,000	
		36,960
1820	4,000	
1821	4,000	
1822	4,600	
1823	3,520	
1824	7,800	
1825	8,000	
1826	10,080	
1827	14,000	
1828	6,000	
		62,000
Increase in Nine Years		25,040
Annual Increase		2,782
Camlets:		
1810 } 1811 }	18,750	
1812	22,340	
1813	22,020	
1814	23,010	
1815	20,000	
1816	14,390	
1817	13,890	
1818	14,250	
1819	12,000	
		160,140
1820	15,000	
1821	15,830	
1822	19,000	
1823	11,340	
1824	12,000	
1825	12,000	
1826	17,000	
1827	13,300	
1828	4,700	
		120,170
Decrease in Nine Years		39,970
Annual Decrease		4,441

QUANTITY of BRITISH WOOLLENS Imported into *Canton* by the *Americans.*

1824-5	Broad Cloths - - *Pieces,*	10,257	
	Camlets - - - -	4,338	*Pieces.*
	Long ells - - - -	7,842	
	Bombazets - - - -	672	
			23,159
1825-6	Broad Cloths - - -	12,067	
	Camlets - - - -	4,290	
	Long ells - - - -	10,620	
			26,977
1826-7	Broad Cloths - - -	14,064	
	Camlets - - - -	3,272	
	Long ells - - - -	8,040	
	Bombazets - - - -	1,800	
			27,176

		Pieces.			*Pieces.*
1818-19	Broad Cloths -	769	1826-27	- - - -	27,176
	Camlets - -	4,188	1818-19	- - - -	4,957
		4,957		Increase - -	22,219

2994. Have you any knowledge of the trade in woollens carried on by the Russians with China?—During the former part of the time I carried on business in London, I executed several orders both for St. Petersburgh and Moscow; they were British woollens, which I afterwards found were intended for the China trade, though I did not know it at the time.

2995. Of what description of woollens?—The colours were much the same as those exported by the East India Company, but the quality of the cloth was considerably thicker.

2996. Up to what period was this?—Previous to the year 1812.

2997. What was the price of cloth at that time, as compared with the price now?—The cloth sent out to Russia was from 17 *s.* to 20 *s.* per yard, and the same quality certainly may be procured now at from 10 *s.* to 12 *s.*, or even less.

2998. How do you account for the fact that that trade is not now carried on from England?—From the heavy duties which have been laid by the Russian government upon English cloths, and a reduction of duty upon Prussian cloths; indeed, English cloths are not allowed to be imported into Russia for transit at all, whilst the Prussian cloths are allowed to be entered for that purpose at a very trifling duty.

2999. Do you know the amount of duty in Russia?—I cannot state it exactly; I believe the duty upon fine English cloths amounts to between 6 *s.* and 7 *s.* a yard; upon Prussian cloths it is not near half that amount.

3000. Previous to the imposition of this duty, can you state to what amount that trade was ever carried on?—No, I cannot, I was engaged in it but to a very small extent; there were some houses that were nearly altogether employed in preparing cloths for that purpose; Messrs. Austins and Messrs. Sheppards houses.

3001. Has there been any disposition shown lately by the Hanse Towns to engage in the woollen trade with China?—They have lately appointed a consul, who is now on his passage to Canton for the purpose of introducing Continental manufactures into China; woollens particularly. They have not yet commenced business; but he has gone over for the purpose of obtaining information, and by the report which he gives the shipments will be guided.

3002. At present do you understand that they have every confidence that that trade may be carried on with success?—They have.

3003. Do you know what are the prices of the same kind of goods at the Hanse Towns as compared with the British?—Till within this last two or three years the fine English cloths were not at all saleable on the Continent; but very considerable improvements have been made in the manufacture of cloths in this country, particularly in Leeds, and they have lately found their way all over the

Mr. *A. Dixon*,

9 March 1830.

Continent; they have been sold in considerable quantities for the fairs at Leipsic and at Frankfort, and in other parts of Germany.

3004. Do you think there is any probability that English woollens may find their way into China by shipment from the Hanse Towns?—I think it is very probable.

3005. Supposing the trade were thrown open, do you think the English merchants would have a greater advantage in sending out woollens to China than the German merchants and the Hanse Towns merchants?—They would have the advantage of the difference of expense in transporting them to Hamburgh and other places.

3006. Would not the price give the English merchants an advantage over the other merchants?—Certainly.

3007. In what degree would individuals purchase woollens at more advantage than the Company?—In consequence of the objectionable clauses which are in the contracts of the East India Company; the manufacturer must always provide for those, and in consequence he lays an additional price; at least I always found it necessary to do so when I was engaged in the trade.

3008. Do you think he would prefer selling to an individual at five per cent less price than to the Company at their price?—It depends in some measure upon the nature of the cloth which is wanted; in some instances five per cent more would be considered about a fair price; but in others, perhaps two and a half, or even less than that.

3009. Upon the whole, would three to four per cent place the two upon a level?—About three to four per cent.

3010. Does that include the difference with respect to the dyeing?—No, that is quite independent of the saving in dyeing. In scarlet, the difference betwixt being dyed in London and Yorkshire would make a saving on the cost of the cloth of 13 per cent; in purple of 17 per cent; and in mazarine blue it would be 20 per cent. Altogether, in having Spanish stripe cloths dyed and finished in Yorkshire instead of London, and buying them as a private merchant does, about 15 per cent on the average would be saved in the six colours, of which the largest quantity is exported by the East India Company.

3011. Then, in your opinion, an individual can be supplied in Yorkshire with cloth already dyed about 15 per cent cheaper than the Company?—If he gets his cloth ready dyed in Yorkshire, and the Company dye theirs in London, he would have that advantage over them in the colours, of which the greatest quantity is exported.

3012. Do the Company dye theirs in London?—By far the greater part.

3013. Have you the means of knowing that the Company do dye a large proportion of their cloths in London?—I have; and I have understood that lately some have also been dyed in Gloucestershire.

3014. Do you mean of their Yorkshire cloths?—No, the Yorkshire cloths are mostly dyed in Yorkshire.

3015. Do you consider that cheaper mode of dyeing in Yorkshire to produce as good a colour as the dearer mode in London?—Equally so.

3016. Do you attribute, in any degree, the benefit derived by the Americans from the woollen trade to their smuggling into China?—In consequence of the evidence given before the House of Commons, I made the observation to several Americans, with a view of ascertaining if it was ever practised, and I am told not.

3017. Have you the means of knowing whether with all these advantages there has been any increase in the quantity of consumption in China?—Not having the amount of what the Americans have exported lately, I cannot correctly answer that question; but it would appear up to the year 1827 that there is a little increase of the American importations into Canton, but it is not much, compared with the two previous years.

3018. Is the dyeing as good in Leeds as in London?—Equally so.

3019. As you have a very general knowledge of the manufacture and trade in cloth upon the Continent, is it your opinion that in any part of the Continent a competition could be entered into with the cloth furnished by Great Britain for China?—I should be inclined to think not at present. A few years ago they had advantages over us, but I think they have not now, owing to the improvements which have been made in the manufacture in this country and the low price of the raw material.

3020. What

3020. What parts of the Continent do you think most likely, according to the present state of the manufacture, to enter into competition with this country?—The woollen manufacture of Saxony I should consider the most likely to injure us.

3021. Is that of the lower or higher quality of cloth?—The lower and the middle qualities of cloth.

3022. Is it not the case that in former times there was a considerable manufacture of cloth in Silesia, which was adapted especially for the Russian trade?—I believe so.

3023. Does that manufacture still exist and flourish to the same extent?—I believe it does, I have not had any information to the contrary, excepting this last year; I am told that they have not been able to sell so much cloth as they formerly did on the Continent, in consequence of the introduction of the English.

3024. Are you aware of the state of the manufacture of cloth generally in Russia?—Since my arrival in London I have been informed that the principal and the most extensive manufacturer of woollen cloths in Russia has failed; a manufacturer who went from the West of England for the purpose of carrying on the woollen manufacture in Russia, and found that it would not answer his purpose to do so, and in consequence gave up the idea altogether.

3025. Where was the manufacture in Russia which has failed?—In St. Petersburgh, or the immediate neighbourhood.

3026. Are you aware that the cloth manufacture in Russia is protected and fostered very much by the government?—Yes.

3027. Then you attribute the failure of the trade in cloth to Russia to two causes, to the heavy duties that are laid upon British cloth, and the lower duties which are imposed upon Prussian?—Yes.

3028. Are you not aware there are cloths of a particular quality and colour admissible into Russia at a lower duty than cloths generally?—Yes.

3029. Do you know whether the cloth that the Russian soldiers are clothed with is manufactured by native manufacturers?—I have made inquiries regarding that subject, and I cannot get satisfactory information upon it; by some I have been told that it is manufactured in the country, by others, that it is manufactured in Breslau and the neighbourhood.

3030. Can you state whether the export of woollens to India, since the trade was opened in 1814, has increased to any great degree?—To a very great extent indeed.

3031. Much more than to China?—Much more than to China; the exportation amounted, for the year ending 5th January 1829, to 30,555 pieces of cloth.

3032. Can you state what it was in 1814?—[*For the answer to this question, see Mr. Dixon's evidence of Thursday the 11th March.*]

3033. Can you state what were the articles which composed the large order of which you have spoken, which is now being executed in Yorkshire?—Cloths of different descriptions, similar to what the East India Company send out.

3034. Are you aware whether there have been any new articles of manufacture of late years, exported by the Americans, that are likely to suit the habits of the Chinese?—There is one now preparing in Yorkshire; and from the information which I have upon the subject, I am told that the demand is likely to be immense, both in India and China. It is a woollen cloth, made with a cotton warp; it may be made extremely thin, and at the same time much stronger than a woollen cloth of perhaps three times the substance.

3035. Is there an order for that to any extent now in execution?—It is not in a situation yet to admit of receiving orders for it, but it will be very shortly.

3036. Have you any means of knowing what the Chinese think of this cloth?—It has been shown to gentlemen who have been in China, and also in India, and their opinion is what I have just stated.

3037. You have stated, that at the India House fees are paid upon the examination of the cloths, and that sometimes 6 *d.*, sometimes 1 *s.*, sometimes as high as 2 *s.*; are those fees arbitrary, or how are they regulated?—They are always stated by the Company in their contracts.

3038. So that they are known by the manufacturers beforehand?—Yes.

3039. Is the commission also known?—It is.

Jovis, 11° *die Martii*, 1830.

Walter Stevenson Davidson, Esquire, again called in; and Examined.

W. S. Davidson, Esq. — 11 March 1830.

3040. YOU were the senior partner of one of the two leading houses of business in Canton?—I was.

3041. Will you state any advantages or disadvantages which in your opinion result to the British trade generally in China, from the existence of the East India Company under the present regulations?—I believe I can state both advantages and disadvantages, and they divide themselves into two heads, that is to say, commercial and political. I shall commence with the commercial. The influence of the East India Company, who can and do act with unity and vigour, form a counterpoise of inestimable value against the Hong monopoly, which individuals could not form. The absence of this counterpoise would have the direct effect of decreasing the prices given for all the imports, and of increasing the prices demanded for all the exports. The Company's support of bankrupt merchants (for the greater number of the Hong in my time were so), by its advances on teas, has enabled the consignees of the country trade to do what could be done in no other country with which I am acquainted, namely, to deal systematically with bankrupts, and thus obtain much higher prices for their merchandise. During the latter part of my stay in China, although so much property passed through my hands, I scarcely ever thought of dealing with a solvent merchant, because the consequence would have been a great loss to my principal, and this was all in consequence of my knowledge that I had the Treasury and the influence of the powerful East India Company at my back. Another advantage of the East India Company in China was the facility to remitters, through bills on their Indian governments, and by which both my constituents and myself sometimes obtained a better exchange than by any merchandise we could ship. I have known large sums of money, which were due to me by the bankrupt merchants, and which I could obtain in no other way, come direct from the Company's Hong to my Hong, being advances obtained from the Company's servants. I have also received large sums of money in bills on England, obtained in the same manner, after urgent solicitation on the part of the merchants to the supercargoes; which species of remittance in those days went by a technical name, which has quite escaped my recollection. I should perhaps have stated earlier, that on the first entering of the ships, if I had not resolved to deal with those insolvent merchants, I should have found the greatest difficulty in getting the ships secured, because the extortions of the Chinese government are always proportioned to the wealth of the party who secures the ship. As to British subjects, I conceive that such security of person and property is not to be lost sight of as is afforded by a public body, having every season from 18 to 20 ships of force at their command, the influence of which was always in my time extended in favour of British commerce, save and except on that of the prohibited article opium. Those are the leading advantages that now occur to me of a commercial nature. Politically, I think that all Englishmen owe the Company's servants in Canton a debt of gratitude for their influence over the last ambassador that went from this country to China, in inducing him to abstain from performing that degrading act of reverence termed the kotow. I call it not a ceremony, because in China it is no ceremony, but a distinct acknowledgment of inferiority and subjection; and if it had been performed by the ambassador, I verily believe the China trade would not have been in existence at this day. I will next state the disadvantages that I conceive the existence of the East India Company, under the present system, to be productive of; and really I think they are both few and unimportant. It is in the power of the Company's servants to stop all British trade; and it is no doubt possible that such power may be exercised on mistaken motives, and for speculative advantages. I was present during the two great stoppages in 1814 and 1821, and such interruptions of trade have certainly been "few and far between." I was a party who, I believe, as an individual suffered as much on both occasions, either immediately or prospectively, as perhaps any one unconnected with the Company; and I can conscientiously say, that I believe the stoppage of 1814, which was caused by the Company's servants, to have been perfectly unavoidable. Security against its being done capriciously, or on slight grounds, can only be found in the character of the parties; and the deep responsibility which they incur, not only to

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their own immediate employers, but to the country at large. I will explain what I mean by saying that I suffered deeply myself from these occurrences. In 1814, the conduct of my house was so much disapproved of by some of its constituents, for not protesting against the conduct of the East India Company, that we lost a large portion of valuable business. The merchants of Bombay upon that occasion framed a memorial to the Board of Control, setting forth the great advantages of their trade to the East India Company, by reason of the duty paid on the cotton in the first instance; also, by the territorial revenue of that part of the Company's own territory in the Guzzerat, from which the cotton came; and again, from the duties on the return-cargoes from China; and they contended, that the East India Company had no right to stop their ships in China, which gave them just cause to seek remuneration by an action at law. That the case pressed upon them with peculiar hardship I always deeply regretted; that the law was on the side of the Company I never doubted. I have by me the form of bond given by the owners of country ships to the Company's Bengal Government in India, before setting sail for China; in which it clearly appears, that all British merchants trading by such sufferance as they did were bound to conform to the orders of the Company's servants in China. I say nothing of the original Act of Charter, because that is within the reach of this Committee and bears also strongly upon that question. In the stoppage of 1821, which was brought about by the Chinese, and not the East India Company, the supercargoes then prevented only the entrance of country ships, not their loading and departing, from the port of Canton; and it is a fact, that country ships did load and depart quietly at a time when it seemed to be pretty universally considered that the Company's ships would have been forced to assume a hostile attitude, pending a reference to England. There is another commercial disadvantage, but it is, perhaps, hardly worthy of being mentioned: such is the jealousy entertained by the East India Company respecting woollens and worsteds, that I upon one occasion, about the year 1815, was prevented from exporting from Bengal in a ship with myself (a country ship) a couple of carpets, for the use of my house at Canton, during the winter season.

3042. Has the East India Company's Factory, during your experience, given encouragement and protection to, or thrown impediments in the way of, individual British merchants in China?—During my time I never knew the British Factory throw a wilful, or as I conceive, an unnecessary, impediment in the way of British trade; and so long as that Factory shall continue to be constituted of the same materials as it was during my time, that is, of well-educated, intelligent, patriotic and honest men, so long will they, I conceive, give encouragement to that trade, and even hazard a departure from that narrow policy which has, on more than one occasion, emanated from the Leadenhall. I will relate the occasion to which I allude. A ship to my consignment lay at Whampoa with the most valuable cargo that in those days had ever been known to be in one small bottom; the estimated value was 1,600,000 dollars and upwards; great difficulties then obtained in the opium trade, and threats of search had been thrown out by the inferior Mandarins. I received an express from Whampoa from the captain of the ship, stating suspicious appearances, and expressing the greatest alarm in consequence of both his officers having been taken violently ill immediately after their dinner, from which he inferred they had been poisoned. I immediately collected what strength I could from the country trade, and, before embarking for the spot myself, I waited upon the then chief of the British Factory: he was my intimate friend, and the sincere friend of all British interests. I said, I know you can do nothing for me personally, who am known to you only as a foreigner; but there is 400,000 *l.* sterling of British property at Whampoa at this moment in the utmost jeopardy; and I put it to you, whether, with such a fleet as you have there, you will allow that property to be plundered, and particularly as many lives must be sacrificed in the attempt. The president of the committee saw clearly the difficulty he was placed in, but being most anxious to render every assistance, he most considerately devised a plan which perfectly satisfied me. He said, you know as well as I what my orders are respecting opium, but where so much British property is in danger, I will go beyond my orders; I will speak daggers to them, although I dare not use them; in short, I will make a demonstration, which may be of great service. He merely concerted with me a signal, which should be known between myself and one of the Company's ships at Wampoa. I went down the river with the party I had collected, and when we arrived on board the vessel we found the chief officer had died; the second remained ill; the men were all at arms; but no symptom having been manifested

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of an intention on the part of the Chinese to commit aggression, the only use I had occasion to make of the president's kindness was to obtain surgeons from two of his ships to dissect the dead officer; and having done so, we discovered that poison was not the cause of his death. We continued a strongly-armed watch however, and upon the alert for 24 hours. The Chinese either saw that we were prepared, or never intended the attack, and the alarm passed over. I have known the British Factory to throw impediments in the way of British subjects by sending them away from Canton at an inconvenient season for their business; but that was merely the dry exercise of the law, and I never knew it wantonly resorted to.

3043. What, in your opinion, would be the result of the withdrawal of the East India Company from China, and of an open trade to that country?—I conceive the result would, sooner or later, be a war between England and China, accompanied by wide-spread individual ruin, unless the Chinese government be previously either coaxed by discreet, or coerced by energetic negociation into that amicable and reasonable intercourse with other nations, which every civilized state is bound by the dictates of nature to cultivate with its neighbours.

3044. Have you or have you not understood that the best teas brought to Canton were placed at the option of the Company?—In my time I really think there was an almost universal concession to that opinion.

3045. Do you, or do you not, consider that were individual purchasers of teas competing with each other to enter the China market instead of one great purchaser, the effect of it would be to raise the price of teas in China?—Certainly; this would happen in any market on so thorough a change of system; but that effect would gradually subside of course, because the higher the price was raised, the greater would be the manufacture, and the effect would then be a return to remunerative prices only, and thus matters would in the end, most probably, find their level.

3046. Do you consider that were the privileges of the East India Company done away with the Hong merchants would have more control over the trade, or that the trade would be more extended?—It would be quite a natural consequence for the trade to become more extended, but if the East India monopoly is to be done away with, and the Hong monopoly to continue, it involves an absurdity too great to suppose this country could submit to, because I have already stated that the East India Company is a counterpoise absolutely necessary to counteract in part, although it must be insufficient to balance, the Hong monopoly; still all these consequences must mainly depend upon the future acts of the Chinese government.

3047. Do you consider that the British Factory, by resisting attempted encroachments of the Chinese government on existing privileges, has or has not contributed to the advantage of foreign trade generally?—Most certainly, and that is what I conceive to press so cruelly upon the interests of this country, because I feel that these advantages to foreign trade are obtained at the cost of Great Britain; which trade, I grieve to say, I believe can never safely be opened to British industry and enterprize, but under the sanction of laws and regulations founded upon previous negotiation. I hold that we have hitherto possessed the trade with China on a frail tenure of a thread, and on a footing as degrading to the character as it is repugnant to the feelings of this nation. I hope to see the day when, as regards our intercourse with China, England shall follow the dictates of a wiser policy, without losing sight of the maxims of justice; when the name of the East India Company shall be known but in the past history of the country, and when that justly obnoxious term monopoly shall be expunged from the vocabulary of this great, enterprizing, industrious and most commercial people.

3048. Do you mean by foreign trade, all that trade that is carried on by persons not British subjects?—Clearly; and that is the reason I have stated that it is at the cost of England that those advantages have hitherto been obtained.

3049. Have you visited other parts of Asia besides that of Canton?—I have visited all the four Presidencies of India, Molacca, Sincapore, Java, New South Wales, many of the eastern islands; and I have sailed from India up the Red Sea, upon which occasion I landed at Cosseir, and the ship proceeded to Suez, near the head of that sea.

3050. Have you any knowledge of the success, or otherwise, of the trade which has been carried on between China and the ports of continental Europe in American or other foreign vessels?—My knowledge of it is not extensive, but I have the results

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results of some such adventures now by me, if the Committee wish to hear them. In the spring of 1819, a very fine ship under Dutch colours came to Canton; she was owned by a very intelligent merchant in Holland, a particular friend of mine, but from motives of expediency was consigned to the Dutch Factory at Canton, and not to me. It was of some service to the concern, however; and in return the owner sent me a particular statement of the result. The ship was loaded with tea, and a small quantity of cassia lignea and sugar; some of the sugar by the bye had been collected at Siam, where the ship had previously attempted to obtain a whole cargo, but failed. On the return of that ship to Holland there was short of 1,500*l.* sterling left for her freight, and the owner in transmitting to me the account, wrote as follows, "I waited the result of our adventure, hoping to have found inducement to repeat it. You will be sorry to learn that in this we have been disappointed. This goes by a vessel from Middleburgh, which, by proceeding a second time, one would suppose had done well in the first adventure; but the fact I have reason to know is the contrary, and it is easy to reconcile this, when I inform you that it is not like ours, a private concern, but divided into a great number of shares, and administered by a single house calling themselves book-keepers, who have, no doubt, only a small share themselves, and are consequently more than compensated for any loss on that share, by a good commission on the whole transaction." The same correspondent, writing a few months afterwards, says, "our unfortunate Canton cargo, though sold by us nearly eight months ago, is yet nearly all 'in natura,' and would now certainly sink from 5,000 to 6,000 pounds more than we lost by it." I can state another adventure about which I knew a French house sent a large ship to China, and the cargo was furnished by bills being drawn through my house, and on Bengal. This occurred in 1819. In December 1820 I saw the owner of that ship in Paris, (I had been acquainted with the gentleman at Canton when he conducted the operation), and he told me that it had brought ruin on all the parties concerned.

3051. Do you consider the mode adopted by the Company of contracting for teas with the Chinese merchants to have been advantageous or disadvantageous?—Highly advantageous for the Company; in proof of which I will state that I have by me accounts by which I perceive that teas, which I purchased in the spring of one year at 34 tales, I readily sold in the shipping season at 38, besides interest of money at 12 per cent per annum; for teas I purchased at 36 tales I obtained 50, and for teas I purchased at 17 tales I got 30. This is but an instance of what I might probably have done on a certain scale almost every year I was in China. I will read an extract from a letter from my firm to a house in New South Wales, written at the time of the Topaze's stoppage in 1821:

"Within the last 14 days your 3,000 chests of Hyson skin have advanced three tales, and were it not for our engagement with the ship Almorah, we could at this moment readily re-sell and pass 6,250 dollars to your credit; and what the event may be when another fortnight has passed by, we cannot tell; but we venture to predict, that should the Company's trade be re-opened, the last of their 21 ships cannot be loaded with good tea; and, on the other hand, should circumstances unhappily protract the settlement for months, it is notorious that the up-country dealers in that article will be ruined, and the regular supply in consequence deranged, whilst you will be safe from competition in the interim by the rigorous blockade already commenced by the Company's authority on country ships bound inwards."

3052. Do you consider that in the event of an interruption of British intercourse with China tea could be brought in Chinese vessels in any quantity, and of good quality, to the islands of the Eastern Archipelago?—My experience can be of no use in answering that question; the thing is possible, but I should think the most improbable thing in the world that could be done so as to answer the purpose of England. In the first place, the law of China is expressly against it; in the second place, the vessels are of that precarious and insecure description, that certainly none but such a body as the East India Company could think of trusting their property upon them; when I say the East India Company, I mean that or any other such body on which the failure of an enterprize would not bring ruin, because a company of course can venture to hazard what individuals cannot do; but I am satisfied that no individual British merchant would ever have thought of resorting to such a desperate expedient in my time.

3053. Would you consider property of your own to be safe in Chinese junks, such as navigating the Chinese seas?—Most certainly not. I think I am correct

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when I say that the calculation in my time ran thus: if seven junks sail from China to a distant port, one out of the seven was lost, but I should say that that calculation is wide of the truth. On recollecting myself, I believe the proportion returning is too great, and from what I know of their construction, outfit and manning, (for the only thing good about them is their conduction, they have an European, generally a Portuguese captain,) I should say that the probable loss of one in five is a better answer to the question. The confusion, from the want of discipline, that prevails on board those junks, prevents the European navigating captain from having any authority in times of danger, and therefore all the assistance they derive from him is when they are in the open sea.

3054. Have you heard that the losses sustained by some individuals during the great fire at Canton were made good by the Chinese?—Yes; I have heard so; I do not call to mind having heard from what source that was; at the same time I can have no doubt from whence the indemnification came, it was from the Consoo fund, which fund is formed by a direct tax on the foreign trade; it is a very secret fund; but I have reason to think it is levied more often upon the imports than the exports, consequently the Americans, who brought a large portion of dollars in my time, did not pay their quota to it. There is another peculiarity about the Consoo fund, which is, that when once any article is made tributary to it, which will happen in the origin for a particular purpose, it does not follow that when that particular purpose shall be answered the tax on such article shall be released, consequently it is the most anti-commercial, oppressive, and infamous tax imaginable.

3055. By whom is this tax imposed; by the Hong merchants, or by the Viceroy at Canton?—No doubt by the advice, and certainly with the connivance, of the Hong merchants. I have often discussed it with them, when they perfectly acknowledged the justness of my animadversions upon it. It is the same description of abuse which would prevail in other countries if submitted to; and I think there is a good deal of analogy between that and what is actually taking place at this moment in this country; I allude to the fact of Mr. Pitt, and other ministers of the day, having formerly raised the salaries of all public functionaries on the plea of the great dearness of provisions and other necessaries of life; and now we see how difficult it is to obtain a reduction, although it be quite notorious that 1,000 *l.* well husbanded, will go almost as far as 1,500 *l.* did formerly in the maintenance of a large family.

3056. By whom is the Consoo fund managed?—By the Hong merchants; at least, we know of no other party in the affair.

3057. Should you consider such remuneration of losses sustained by fire as any proof of an amicable disposition of the Chinese government?—Most certainly not; they had nothing to do with it, I believe; but the Hong merchants must have found it convenient at the moment to pay off a few clamorous applicants, and they would immediately indemnify themselves out of the Consoo fund.

3058. You mentioned the case of a Dutch ship having obtained a partial cargo at Siam, but was not able to obtain the whole; what prevented its obtaining the whole cargo; was it a political cause, or a commercial cause?—I understood at the time that the chief difficulties had been thrown in the way of the enterprize by the public authorities; but the gentleman who conducted the ship, one of the most intelligent men I ever knew, considered it would be a fruitless attempt to repeat.

3059. Was it on account of the place being unfit for commerce that no good adventure could be made there, or was it a fruitless attempt in his opinion from the obstruction put by the government?—I should say probably both, as well as my recollection guides me; I have no information respecting Siam but general information.

3060. You stated what that Dutch ship was freighted with from Canton homewards, what was the cargo outwards from Europe?—She brought dollars to Siam, which she calculated would have been sufficient to have invested the cargo in which she was in search of: but having failed there, and coming to Canton, the cargo she took home was more valuable, and the consignees were obliged to supply that deficiency by bills on Europe.

3061. You stated that there was a loss by the homeward voyage; was there a loss upon the whole adventure, or merely upon the return-voyage?—I think from the tenor of my friend's letter I have read, there is no doubt it was a losing adventure

venture upon the whole. But I stated in my former answer, not that there was a loss, but that only about 1,500 *l.* was left as freight to the ship.

3062. Is that the only adventure which during your time in China you knew of to Siam?—It was the only adventure I ever knew much of, and not having originated in China, for the ship came to Canton after making the fruitless attempt; I did not collect so much information about it as I should otherwise have done, that is to say, my curiosity was not so much excited.

3063. Do you know of any other foreigner who attempted voyages to Siam?—I do not.

3064. Or to any other part of Cochin China?—None whatever, but what I read of in the popular history of that country.

3065. You have stated, as the result of your experience in the trade of China, that you hoped to see the time when the trade of that country should be put upon a footing which you would consider more consonant to the interests and dignity of this country, by which all monopoly would be done away; have the goodness to state to the Committee what your idea is of this perfect state of the trade with China which you would wish to see established?—In doing so, I feel that I must consider China as a civilized nation, and I therefore can entertain no doubt that vigorous negotiation would obtain Great Britain all the privileges she can seek to enjoy in such a distant and peculiar country. The only basis on which I think the trade with that country could be carried on with safety to this country, and with comfort to the individuals who embark, is that of a treaty of commerce, wherein the duties of the foreigners who visit China shall be clearly and distinctly defined, wherein their rights in return shall be acknowledged, and the whole connexion proceed upon the sanction of such laws and regulations as I cannot doubt (it being always assumed that China is civilized) this country is in a state to exact. At the present moment the government of China admit us to hold intercourse with them. We take to them those articles which they require, and we receive in return the surplus of their productions; a state of things which I hold to be the most wholsome and consonant possible with the interests of both countries; and I read in an author of celebrity, under the head of "Right of all nations against one that openly despises justice," that "if by her constant maxims, and by the whole tenor of her conduct, she evidently proves herself to be actuated by that mischievous disposition if she regards no right as sacred, the safety of the human race requires she should be repressed;" and again, "to despise justice in general is doing an injury to all nations." Vattel is my authority.

3066. And you are of opinion that this better state of things in China might be brought about by a more vigorous exercise of authority on the part of this country?—I do not entertain a doubt of it.

3067. Do you think it might be brought about by a mere withholding of trade, or that it would require any more vigorous measure to produce it?—I consider that a vigorous negotiation, accompanied by a threat that the King of England would no longer consent to hold intercourse with China on the degrading footing on which it has hitherto been carried on, would altogether alter the tone of the government of Pekin.

3068. Are you of opinion that the Company have generally assumed too tame a tone in their communications with the Chinese authorities?—By no means. I am quite of a different opinion; and I think it would have been much better had the East India Company instructed their servants in China what they were to do, and what they were not to do, and not left them such a dangerous discretion as has hitherto been vested in them. I take for granted in this answer, that the East India Company in London would have done so in concert with His Majesty's Government, and I think it would have been wise for all parties to consider long ago what was best to be determined upon, instead of leaving individual traders at the daily risk of the loss of all their property.

3069. But you are of opinion that either by the Crown or by the Company some attempt should be made to put the trade with the Chinese upon a different footing from that on which it now stands?—Certainly, by the Crown.

3070. And you think that would be practicable?—I have no doubt of it.

3071. And being effected, you are of opinion that it would be for the interest of this country that the monopoly of the China trade should be done away?—Certainly.

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3072. And that the trade under such circumstances could be conducted with more advantage to the country?—Certainly; it being taken for granted, however, that when the English monopoly is done away, which should be subsequent to the negotiation, the Chinese Hong monopoly in its present mischievous operation should be stipulated to cease.

3073. How long is it since you left China?—I left China in the month of February 1822.

3074. You have spoken of the number of Chinese junks that were lost, by whom are the junks freighted?—By Chinese usually.

3075. What do those cargoes generally consist of?—Such articles as find a sale, in Java and the neighbouring islands principally, I believe, for the use of the Chinese settlers in those parts, who are very numerous, teas, silks, nankeens, sugar-candy, and so forth.

3076. What are the principal ports to which they resort?—Batavia is the very principal one; at Malacca, Sincapore, and Manilla, they are constantly seen; at Banca, at various ports in Borneo, and even, I believe, as distant as the Archipelago of Celebes and the Gulph of Carpentaria, on the north coast of New Holland.

3077. Can you form any estimate of the amount of trade carried on between Canton and the Eastern Isles?—No, I cannot form any exact or even approximate estimate of it.

3078. If it should be found impracticable to coerce the Chinese government in the manner you have stated, do you think the mode in which the trade is carried on now is the most beneficial and secure?—Unquestionably, if I connect the beneficial with the secure consideration.

3079. It is presumed that the vigorous negotiation you recommend must of course be accompanied with a commensurate naval force to carry it into effect with success?—I should think there is ample time to try a much milder mode of negotiation before the period will arrive when it is absolutely necessary to adopt the last measure.

3080. Supposing that by negotiation of any description success could not be obtained in that object, do you think that what is called the Company's monopoly is necessary to counterbalance the Hong monopoly?—I have already in my answer to one of the questions stated that such is my decided and unequivocal opinion.

3081. What is your opinion of the profit and loss that has taken place in the country trade between China and India since 1813?—I should suppose it has been much less profitable than formerly.

3082. Has it been upon the whole a profitable trade?—What it has been since 1822 I cannot speak at all, but during the last three or four years of my residence in China I fear that it was upon the whole the contrary.

3083. Were not the embassies carried on by Lord Macartney and Lord Amherst with a view of establishing commercial relations between China and England?—I always understood so.

3084. Can you state to the Committee any reason why those embassies did not succeed in their object?—Because they never professed to be but complimentary embassies, and therefore were not calculated to succeed with the Chinese government.

3085. Had they stated their distinct object to be that of commerce, is it your opinion, from the knowledge you have of the character of the Chinese government, that they would have been received at all?—They certainly would not have been more likely to be received into the imperial presence had they stated such than in the manner in which they went, which was of all things the most complimentary to the government of China.

3086. When you stated that you expected successful results from a more vigorous negotiation, did you contemplate coercion by war?—I stated, I think, in a former answer, that what I meant by coercion, in the first instance, was a threat that the King of England could no longer tolerate the degraded state of vassalage in which his subjects were held in China, without privileges, without protection, without safety, either to persons or property.

3087. Do you think that such threat, unaccompanied with force, would produce the effect which you expect upon the government of China?—I confess I must entertain doubts whether it would.

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3088. Then your ultimate view would be, that supposing such an attempt were to be made by the King of England, that that attempt in its ultimate result must contemplate the sending a force, and in fact, going to war?—That is just the point to which I come, provided I be justified in stating, what I believe I have already done in a previous answer, that the common right of all civilized states to insist on holding reasonable intercourse with each other, is acknowledged by the best writers on the law of nations.

3089. Putting the right out of the question, what rational expectation would be formed of any warfare carried on against a nation of a population so immense?—During many years residence in China the subject was constantly discussed. We had the information derived from the first embassy as well as from the last, and I never heard any man who had given his mind to the subject, but came to this conclusion, that although the population of China may be 250,000,000, 20,000 British troops might march from Canton to Pekin at any moment without hindrance or molestation.

3090. Are you of opinion that it would be consistent with justice that the English nation should march an army of 20,000 men from Canton to Pekin, merely because the government of China do not confer upon British subjects those commercial advantages to which you think they are justly entitled?—It is not commercial advantages that I have ever said I would make war to contend for; but if the Emperor of China permits, as he has done, Englishmen to reside within his dominions for the purposes of trade, I think it is his duty to protect them, to foster that trade, and to see that his officers do justice to those who are enterprizing enough to undertake it, and to rely upon his imperial protection and hospitality.

3091. If foreigners settle in any country for the purpose of commerce, or for any other purpose, is not one of the conditions on which they reside in such country an obedience to the laws, and a conformity with the customs of that country?—Certainly.

3092. Are there any roads from Canton to Pekin for troops to march on?—I really do not know, but there is on modern maps a distinct tract of Lord Amherst's route from Pekin to Canton. I have such a map in an atlas in my own possession.

3093. Have you ever seen any Chinese maps of the road?—I think not.

3094. Do you conceive that a commercial treaty with China would be best negotiated by the East India Company, or by an ambassador, or any other party directly accredited by the Crown?—By an ambassador direct from the Crown.

Mr. *Abraham Dixon*, again called in; and Examined.

Mr. A. Dixon.

[The witness requests he may be allowed to answer the following question, which was put to him on his former examination on Tuesday the 9th of March instant:]—

3095. What was the number of cloths exported by the free traders in the year ending the 5th of January 1828?—Of British woollens, 30,289 pieces, and of foreign 552; together, 30,841 pieces. In the 30,555 pieces, which I before stated to have been shipped in the following year, is included 1,414 pieces of foreign woollen cloth; this quantity of 30,555 pieces, exported by the free traders to India alone, to the four ports only to which they have access, exceeds that of the East India Company to both India and China, during the period, by fifty per cent; their export, according to the papers laid before the House of Commons having only been 20,370 pieces, in which, I believe, is included the cloth for the use of the army.

3096. You have stated that you had been engaged as a Blackwell-hall factor till the year 1822 in London, and that you are now engaged in the woollen trade as a manufacturer at Leeds?—I stated that I am now a foreign commission-agent, and have been so for several years past at Leeds and in Huddersfield.

3097. What was the name of your house in London?—Abraham Dixon and Company, and previous to that John Thomas and Company.

3098. What is the firm of the house with which you are connected in Yorkshire?—I have no partner; I have been alone for some years.

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3099. Have you been in the habit of supplying the Company with broad cloths?—During the time that I resided in London frequently.

3100. What is the process by which the Company buy those goods?—By public tender and contract.

3101. Did you find any difficulty in the dealings you had with the Company?—No.

3102. Are you aware that the Company buy their goods under a bye-law?—I am not aware of that.

3103. Did you find that the Company fulfilled their engagements faithfully and honourably with you?—Perfectly so.

3104. You stated that there were certain fees forming a part of the contract, were they fixed fees or arbitrary fees?—They were always stated in the notice of the tender for the contract as fixed fees.

3105. Were there not fines imposed upon parties who failed to deliver a proper article?—There were.

3106. Have you ever been subject to those fines?—During my transactions with the Company I do not recollect that I ever had to pay one fine, but if I had it was of a very trifling amount.

3107. Have you had any facilities given you by the Company, such as receiving money on discount before it was due?—Not during the time that I resided in London, but perhaps my partners might; but I am not aware of the fact.

3108. Are you aware that the Company are often in the habit of giving those facilities to persons with whom they trade?—I believe they do so when applied to for that purpose.

3109. Do you consider that an advantage?—Certainly it is an advantage.

3110. Do you apprehend that this mode of contract is disadvantageous to the Company?—I think so.

3111. In what respect?—In consequence of the fines and of the rejections, many houses are deterred from entering into the contracts; indeed, many houses to my knowledge would not enter into the business at all, in consequence of the danger of rejections, and being subject to fines.

3112. Did you refuse to supply the Company when you were engaged in that trade whenever an opportunity offered?—If those fines had not been imposed we should have gone to a greater extent in our tenders for cloth to the East India Company.

3113. But to a certain extent you were always willing to engage with the Company?—When we had not other employment for our manufactories in Yorkshire.

3114. Have you any means of knowing whether the Company have always thrice the quantity of goods offered to them for which they have occasion?—I believe that is frequently the case.

3115. Do you think that is any proof of the disadvantage that the manufacturers labour under in dealing with the Company?—There are always people that are desirous of doing business. They would tender at a high price, that would cover the risk of fines and rejections.

3116. Are you aware that the Company take the lowest tender?—I believe they do.

3117. Have manufacturers access to the Company's samples, and are you furnished with portions when you desire to see them?—Yes.

3118. You stated that the overlookers are very strict in their examination, and there is no appeal from them?—So it is stated in the contracts.

3119. Are you aware that the Company occasionally take goods at a small reduction of price, which are not equal to the standard in order to favour the manufacturers?—They do, I believe, sometimes.

3120. Were you engaged formerly with Hamburgh and Amsterdam, and other places in Europe?—Yes.

3121. And you had also an establishment in the United States of America?—I had.

3122. Have you withdrawn from those establishments?—Yes.

3123. For what reason?—In the year 1826, the firm in London to which I belonged was unfortunate in business.

3124. To what causes do you attribute your losses in trade?—It arose from bad debts, made chiefly in this country, arising principally from our banking or agency business

business in London, in consequence of the great depreciation in the value of every description of property in 1825 and 1826.

3125. Was your trade to America profitable?—Yes.

3126. Were the dealings you had with the Company profitable, or otherwise?—To the best of my knowledge they were profitable.

3127. Are you at present interested in the house of Joshua Taylor & Co?—No, not for many years past; not since 1822.

3128. Do you happen to know whether they have many dealings with the Company?—I believe they have.

3129. Are you aware of what became of the cloths that the Company rejected when you supplied them with a quantity, and when some were rejected?—About the year 1812 or 1815, or rather previous to the year 1815, they were generally sold to the Mogadore merchants; since that they have been chiefly sold to the private traders to India and China.

3130. At any reduction in price?—Sometimes they have been sold at a reduction of price, and sometimes at an advance of price; indeed, some of the cloths have been sent to America, and sold there to American-China merchants.

3131. Were they sold at a reduction in price?—I believe generally those which were sent to America were sold at a profit.

3132. Are the Committee to understand that those that were sold and went to America realized to the manufacturer a larger price than the Company would have given for them?—I am now only speaking of those we manufactured ourselves. They brought a larger price in America, but in London they were generally sold at a loss. For many years the rule in disposing of articles of that description was to deduct from the cost of the day the cost charged by the Company for dyeing, that is, the cloth was sold dyed at the same price as if the cloth had been white, and then there was a considerable loss.

3133. As you reside at Leeds, does it happen to fall within your knowledge that when an application was made to the Company to relieve the distresses in the neighbourhood of Leeds, circulars were sent round, and offers were made to the Company to supply cloths to an extent much beyond their demand?—I am not aware of that.

3134. Are you aware what is the comparative cost-price of woollen cloth in Leeds and in the West of England?—There has not been much difference; but I believe the Leeds cloths are a little cheaper.

3135. Then you are not aware that in this particular instance the Gloucestershire or west of England clothiers have undersold the Leeds manufacturers?—I am not.

3136. Are you not aware of the fact of the Company having always offers for twice or thrice the quantity of goods that they have occasion for?—Not that that is always the case; that it is so sometimes I have understood.

3137. Are the Committee to infer that the Company's mode of business is encouraging to the manufacturer, by the quantity of goods that they offer?—It would appear so from that.

3138. Should you not conceive that a demand equal in amount to the Company's demand for cloth by the private trade, would be equally beneficial to this country as the Company's demand?—Certainly.

3139. Can you inform the Committee why the cost of the dyeing of the different colours in Yorkshire and in London differs so much, the material of dyeing being the same?—I believe the cause of the difference is chiefly this, the comparative small expense of coals in Yorkshire, and of rents, and of wages to servants; and also for a number of years the London dyers have been in the habit of charging much larger profits than the Yorkshire dyers are willing to do their business at.

3140. Are there many private manufacturers who dye in London?—I am not aware of any manufacturers living in London who dye in London, except the East India Company; but there are a number of woollen warehousemen in London who occasionally have cloths dyed with the London dyers.

3141. Is there any other large company in London that export any thing like the quantity which the East India Company do, and if so do they dye in London?—The only public body that I am aware of is the Hudson's Company, who buy 400 or 500, perhaps 600 or 700 pieces of cloth every year, and I believe they have them dyed in London, at least they had some years ago; whether they continue it or not I do not know.

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3142. Is that a company having also exclusive privileges?—Yes.

3143. Are the private individuals that have their cloths dyed in London, generally speaking, connected with the North or with the West of England?—With both; but they will never have them dyed in London if time will allow of their having them dyed in the country.

3144. Do you know what proportion the cloths bought by the East India Company in Yorkshire bear to the cloths bought by them elsewhere?—I do not.

3145. You were understood to state, that the risk of fines, charged by the East India Company, necessarily increases the price at which manufacturers can afford to sell to them as compared with private merchants?—Yes.

3146. Then the higher price which the East India Company are stated to give, does not act as an encouragement to the manufacturer, but only covers the increased risk?—Exactly so.

3147. Did you mention all the fines charged upon the rejected goods?—I omitted mentioning that which is levied upon the manufacturer, in case the cloth should be rejected or delayed in the delivery, that is from 10 *s.* to 20 *s.* each cloth.

3148. Are not those conditions in the Company's contracts intended to secure a perfect investment?—I believe that is the object.

3149. Do you think they have that tendency?—I have no doubt but they have.

3150. But at a higher price?—At a higher price.

3151. You stated that when those rejected cloths were sold to individuals, the practice was to sell a dyed article at the same price as a white article; will you state what proportion the cost of dyeing is to the prime cost?—Some years ago the cost of dyeing was not so much in proportion to the price of the cloth as it is at present; and I can only state the present relative values. There are a variety of colours, and they vary; the white cloth would cost 6 *l.* 6 *s.*, and the cost of dyeing it blue would be 2 *l.* 11 *s.* 6 *d.* I should state, in explanation, that the west-country manufacturers gave their factor, or at least gave me when I was a factor, the liberty of disposing of the rejections at the rate of which I am now speaking, but to do better if I could.

3152. Then the practice was to abate from the cloth the price of dyeing, which, under the circumstances stated by you is about 33 per cent?—Yes; I ought perhaps to state, in addition to what I have stated, that formerly, cloth which now costs six guineas cost about 20 *l.* I have not been in the trade lately; there may be an alteration; the manufacturers may not at this time be willing to make such a sacrifice; indeed, so great a sacrifice as that would not be necessary now.

3153. When the cloth cost that price was the dyeing proportionably high?—By no means.

3154. Do not the Company's tenders vary very much from each other from time to time?—In the different descriptions of cloth they do; but not for the same description of cloth; they have been very much the same for each description of cloth for many years; I believe since 1813 or 1814.

3155. What is burling, for which a charge appears to be made on the part of the Company?—Burling is the operation of picking out any foreign substance which may adhere to the cloth.

3156. What is the charge made by the cloth drapers of the Company for burling on super cloths?—2 *s.* per piece.

3157. What is the amount of the fee upon that species of cloth?—6 *d.* per cloth.

3158. Have you a copy of one of the Company's contracts for cloths?—There are three different descriptions of contracts for the different descriptions of articles. I have one here, which is dated on the 15th of April 1829, which is the notice of a tender or contract for 2,000 whole pieces of white list cloths, that is cloth used for the army in India.

3159. Will you deliver in that contract?—

[*The witness delivered in the same, which is as follows:*]

"Gentlemen, East India House, 15th April 1829.

"I HAVE the orders of the Committee of buying and warehouses of the East India Company to acquaint you, that the Committee are ready to consider tenders for supplying white list cloths A, to be delivered on or at any time before the 31st of July 1829. The quantity wanted is about two thousand whole cloths.

"2. The

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" 2. The quality of the cloth must be equal to the Company's standard sample A. Each cloth must be of the length of 48 yards; and be six quarters wide within the list; must weigh 66 lbs., and have no dyed head. Intending contractors will take especial notice, that these conditions will be strictly required to be fulfilled. Positive orders are given to the Company's overlookers not to pass any cloths of inferior wool, or worse weaving than the standard sample. The cloths must not be pressed.

" 3. Each cloth must be made with a dyed middle mark, which middle mark must be placed exactly in the centre of the cloth; and dyed with indigo, and not logwood. All cloths of which the two halves shall have been separated will be rejected; as will all cloths of which the list may be unduly heavy or wide.

" 4. Every piece must be fit to be dyed Aurora; and the attention of the manufacturer is in an especial manner called to this circumstance.

" 5. In case any of the cloths shall not be delivered within the time specified in the first clause, or, having been delivered and rejected, shall not be replaced with approved cloths within the period stated in the same clause, the contractor shall pay to the Company, as and by way of liquidated damages, the sum of ten shillings for each cloth which shall so not be delivered or replaced. The contractor must be careful to make early deliveries, in order that he may replace any rejections within the time limited; or he may send in a surplus to meet the contingency of rejections; but this must be done on or before the day appointed for the completion of the contract.

" 6. The goods will be subject, as usual, to the inspection of the Company's overlookers, whose decision shall be final.

" 7. Payment will be made upon Thursday the 24th of September 1829, deducting the liquidated damages, if incurred, and the usual office-fee of sixpence per whole cloth. Contractors are also requested to take notice, that the sum which has been paid to the cloth-drawers for burling, *viz.* one shilling, is not to be paid directly, as heretofore, to those persons; but the same sum will be received by the Company for and on account of the cloth-drawers, and will be deducted from the manufacturer's bill of parcels.

" 8. Cloths which may be found by the dyer, at the time of washing, or in preparation, to be defective, shall be immediately replaced by the maker with good cloths, and the maker shall pay the amount of all charges incurred; but the Committee distinctly give notice, that if it shall be discovered that any person has disguised oak-stained cloths with fullers-earth, whitening, or other substances, so as to deceive the Company's overlookers, the Company will not enter into any future engagements with such person, although he may offer goods at a low price. And as it often happens that cloths prove unfit for consignment to India upon their final inspection in the Company's warehouse, after being dyed, owing to some original defect in the cloths not before discoverable, it is hereby made a condition, that the maker shall repay to the Company the cost of such cloths, with all charges; such defective cloths being, after payment, returned to the maker.

" 9. Complaints having been made by the overlookers of the foul and burley state in which cloths are often found after dyeing, owing to neglect in manufacturing; such cloths will be returned upon the manufacturer, who will be required to repay to the Company the value thereof, with all charges incurred thereon.

" 10. Very material inconvenience having been experienced from the imperfect manner in which the cloths are marked and numbered, it is the particular desire of the Committee that each maker cause his name and the number to be worked into the cloth in a very distinct manner, with linen or cotton thread, and the christian name must be put at full length. The Committee will return to the manufacturer any cloths which may be found defective in these points.

" 11. No charge is to be made for carriage to London, nor for cartage to the Company's warehouse; the cloths will not be taken into the warehouse in whole bales, but be unpacked in the warehouse yard, and counted singly into the warehouse. The wrappers must be taken back immediately, as the Company will not be answerable for them.

" 12. Each maker must name an agent in London, to deliver the cloths, to take back the rejected goods, to make out bills of parcels, and to do all other needful business.

" 13. If the maker shall not find it convenient to receive the payments himself, he must give a regular power of attorney to some agent to receive the proceeds.

" 14. Should it suit you to make an offer, you will please to attend to these conditions, which will be strictly observed on the part of the Committee; and you will please to adopt the annexed form of a letter, without any variation.

" 15. If your answer shall not be received at the office of the Committee of buying and warehouses in the East India House, before 11 o'clock on Wednesday the 29th April 1829, you will be considered to have declined to manufacture for the Company at the present time. Many persons not having been careful to send in their offers at or before the time appointed, it is positively ordered that no tender be received after the above-mentioned hour; and it is desirable that manufacturers, having delivered a tender previous to the time limited, should abide thereby, and not cancel or alter the same by any new letter, such practice being highly objectionable.

" 16. All goods which may be delivered in consequence of the present circular will lie at the Company's risk in case of the calamity of fire.

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" 17. The Committee reserve to themselves the right to reject any proposals which they may deem to be unreasonable, although such proposals may appear to be the lowest and most advantageous which may be offered.

" 18. All persons making tenders are required to seal up their tender, addressed to the Committee of buying and warehouses, and to write upon the outside, '*Tender for white list cloths.*'

" I am, Gentlemen, your humble servant,

" *Wm Simons.*"

3160. Will you state what conditions in that paper you consider objectionable, and which tend to increase the price of the article?—The sixth, eighth, twelfth, and thirteenth clauses.

3161. The sixth is, that " the goods will be subject as usual to the inspection of the Company's overlookers, whose decision shall be final; what objection have you to that?—There is no appeal from it.

3162. What is your objection to the eighth?—The eighth clause is, that " cloths which may be found by the dyer at the time of washing, or in preparation, to be defective, shall be immediately replaced by the maker with good cloths, and the maker shall pay the amount of all charges incurred."

3163. Do you consider that unreasonable?—No; I should not consider it unreasonable in itself, but circumstances have taken place arising out of this, which have been very objectionable. I have known cloths sent back by the dyer, and the faults which were pointed out as being in them, I am very certain took place in the dye-house, and were not in the cloths when they went to be dyed, but it would be a most difficult matter to prove it.

3164. Are the cloths inspected after dyeing?—They are inspected previous to dyeing, but it was so difficult a matter to bring it home to the dyer that the manufacturer was obliged to take the cloth, and submit to the loss.

3165. Then you object to the double inspection?—Yes.

3166. What is the next objectionable clause?—The eighth clause goes on to say, " But the Committee distinctly give notice, that if it shall be discovered that any person has disguised oak-stained cloths with fullers earth, whitening, or any other substances, so as to deceive the Company's overlooker, the Company will not enter into any future engagements with such person, although he may offer goods at a low price. And as it often happens that cloths prove unfit for consignment to India upon their final inspection in the Company's warehouse after being dyed, owing to some original defect in the cloths not before discoverable, it is hereby made a condition that the maker shall repay to the Company the cost of such cloths, with all charges, such defective cloths being after payment returned to the maker;" now, I have known instances where cloths have been suffered by the dyer to remain in his possession before they were sent to be tendered, and during that period they have shrunk up so much that it was impossible to get them out to their original width, and in consequence of that cloths were returned to the manufacturers, whereas if the dyer had sent them to the setter to be tendered immediately, that would have been avoided.

3167. Did you find these grievances the last time you dealt with the Company?—I found them occasionally.

3168. But you continued to supply the Company notwithstanding you felt those grievances?—Certainly.

3169. Will you state your objection to the twelfth clause?—The twelfth is, " Each maker must name an agent in London to deliver the cloths, to take back the rejected goods, to make out bills of parcels, and to do all other needful business;" there is nothing objectionable in that on the part of the manufacturer, so long as the Company are willing to pay the additional price for the goods.

3170. Your objection is, that he is obliged to add to the value of the cloths that which he pays for agency under that commission?—Yes. The thirteenth is, " If the maker shall not find it convenient to receive the payments himself, he must give a regular power of attorney to some agent to receive the proceeds;" that power of attorney is also attended with expense, which the private traders are not subject to.

3171. Do not the Company permit any person who is named by the manufacturer

facturer as agent to deliver a charge of his goods, to receive payment for you if you wish?—Not without a power of attorney.

3172. What is the expense of a power of attorney?—I think it is about 30 *s.*

3173. On those occasions on which you contracted with the Company, could you have supplied another party besides the Company with cloths of the same quality at three per cent less than you did the Company?—Yes.

3174. You would have done it?—My house in Yorkshire would have done it because they would not have been subject to the charge made in London.

3175. Do you mean to say that you wouid have sold the cloths in Yorkshire at three per cent less, or that you would have delivered them in London at three per cent?—Either; it makes no difference.

3176. Would you have delivered them in London to another party at three per cent less?—Yes.

3177. Then the risk of receiving a bad article would be transferred from you to the purchaser of the goods?—Yes.

3178. Is it sufficient to give one general power to your attorney in London to receive money for you, or must there be a special power for each contract?—Not for each contract.

3179. So that one general power enables your agent in London to act for you for ever?—For ever, so long as he continues your agent.

3180. Do not you conceive that one of the great hardships in the inspection of the Company's overlookers is this, that in dealing with private individuals both parties concur in forming a judgment upon any dispute as to quality, whereas in the case of the Company they are obliged to abide by their decision without any referee of their own?—Yes.

3181. Are you not aware that those overlookers are persons trained up from boyhood to manhood in the business, and that their character is established by long practice?—Yes.

3182. Do you know any instances in which they have been complained of, or considered as dealing unfairly with the manufacturers?—During the time I had transactions with the Company, I never had occasion to complain in any one instance.

3183. And you thought the inspectors dealt fairly between the manufacturers and the Company?—Yes.

3184. Were you obliged to give any fees to them for inspection?—No.

3185. Do you consider that the character of the trade requires so strict a scrutiny into the quality of the goods as the East India Company make?—I should think not.

3186. Is it not the case, that cloths furnished for army purposes, and delivered to the storekeeper, pass through the same ordeal, and there is no appeal from that expert, as it is called?—No, the ordeal is not the same; they do not impose any fines upon rejections.

3187. On what term of credit do you sell to individuals?—That depends upon the agreement made with the party at the time; sometimes for cash, sometimes they buy at two or four, or even six months, or even longer than that.

3188. When you sell at a credit of three months, what would you charge upon the *del credere* account to indemnify you for the risk?—A manufacturer selling goods does not consider that he is running a risk adequate to paying any *del credere* commission for it, in selecting parties whom he thinks are perfectly safe.

3189. Do you mean to say, that if you sell merchandise to parties at three months credit, you should consider the value of the risk as nothing of their stopping payment?—No; I should not say so.

3190. What do you consider the value is?—The value might be one per cent.

3191. Should you consider that you were incurring a risk of one per cent if you sold your merchandise to the Company?—No, I should not.

3192. Then it may be assumed that it is one per cent more to your advantage to sell to the Company so far as that goes?—Yes.

3193. Supposing you were to sell goods upon the average of customers at six months credit, would not you consider the guarantee of bad debts to be worth three per cent?—Two and a half or three per cent, selling them at six months credit.

3194. Supposing you were in regular dealings with a house of great respectability and credit, should you think it necessary to charge a per-centage upon the cloth delivered because there was not immediate payment?—Not beyond the interest.

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11 March 1830.

3195. When you stated that there would be a difference of three per cent charged to the Company upon the cloth delivered to them above that supply to private merchants, did you then contemplate cloths in a white state, or in a dyed state?—In both; but I think I stated three or four per cent.

3196. If you made your sale to a house of substance and character in London, or if you had a credit assigned to you on any banker in London, should you think in that case that the risk of debt would be equal to two or three per cent?—Certainly not.

3197. When you speak of the *del credere* with respect to the manufacturing trade, are you not rather speaking of the risk attending the selling to an ordinary retailer of manufactured goods?—I considered the question to apply to the general risk of business.

Lunæ, 15° die Martii, 1830.

Mr. *Abraham Dixon,* being in attendance, was again called in, when he requested permission to give in the following Explanation to his former Evidence.

Mr. *A. Dixon.*

15 March 1830.

THE Statement which I gave in my Evidence to this Committee on Tuesday last the 9th day of March instant, in regard to the falling off in the East India Company's exports of woollens to China, though correct, is not sufficiently explicit, for I find on closer examination that it would have given a better idea of their real situation to have made other divisions of time in taking the annual averages, which would have shown, as the truth is, that since 1819–20 the consumption of British woollens in China has increased. I now beg to deliver in a Statement, showing this to be the case.

[*The witness delivered in the same, which was read, as follows:*]

	Pieces.
From the years 1809–10 to 1813–14, both inclusive, the average number of pieces of woollens imported into Canton, by the East India Company was - - - - - - - - - - - -	248,616
From 1814–15 to 1819–20, the average for these five years was only	168,095
Showing a decrease of pieces, or about 33 per cent - - -	80,521
In the eight years which have elapsed since the Americans came into competition with the East India Company or from 1820–21, the first year in which the Chinese market was opened in competition with the East India Company, till the year 1827–28, the average number of pieces of woollens yearly imported into China, by the East India Company, amounted to - - - - - - - - - -	179,274
Or, had increased in quantity beyond the five years previous to American competition nearly seven per cent, or - - - -	11,179

Total Imports of Woollens into Canton.

	By the East India Company.	By the Americans.	TOTAL.
	Pieces.	*Pieces.*	*Pieces.*
1825–6 - - -	212,346	23,159	235,505
1826–7 - - -	231,529	26,977	258,506
1827–8 - - -	123,317	27,176	150,493
		3)	644 04
	Or, average yearly importation - -		214,834

This shows that the import into Canton in these three years, compared with the five years preceding; viz. 1820–21 and 1824–25 inclusive, had increased nearly 25 per cent.

Export

Export:	Pieces.
1820–21	157,401
1821–22	172,320
1822–23	136,768
1823–24	221,814
1824–25	178,701

5) 867,004

173,400 - annual average.

And when compared with the six previous years, viz. 1814–15 and 1819–20 inclusive, the increase of the three years 1825–26 to 1827–28, was upwards of 30 per cent.

Export:	Pieces.
1814–15	224,632
1815–16	161,568
1816–17	175,801
1817–18	133,761
1818–19	144,717
1819–20	150,254

6) 990,733

165,122 - annual average.

The decrease of the Company's exports of woollens from this country to China commenced much earlier than the interference of the Americans, for, on referring to the papers laid before Parliament, I find that from 1803 to 1808 inclusive, the exports of the East India Company to China was never short of 1,000,000 *l.* sterling, and averaged for these six years 1,128,557 *l.*, but began to fall off materially in 1809.

From 1809 to 1813–14 inclusive, the value of all other articles, exclusive of woollens, exported to China, averaged under 150,000 *l.* annually.

The total exports since that period have never equalled the amounts now quoted, with the exception of 1828, and for the last nine years have been as follows:

	Woollens.	Other Manufactures.	TOTAL.
	£.	£.	£.
1820	713,683	33,353	747,036
1821	722,461	141,699	864,160
1822	623,259	46,230	669,489
1823	674,585	33,462	708,047
1824	532,221	79,918	612,139
1825	652,047	92,811	744,858
1826	756,968	95,062	852,030
1827	413,422	80,393	493,815
1828	618,412	245,082	863,494

From 1809 to 1811 inclusive, which were years of war, the exports were as follows:

	£.
1809	971,360
1810	825,097
1811	896,139

3) 2,692,596

897,532 - annual average.

Or, upon an average, of the yearly value of 897,532 *l.*, being a falling off, on the average of the six preceding years, of upwards of 20 per cent, the exports of these years having been—

	£.
1803	1,139,184
1804	1,202,607
1805	1,050,424
1806	1,155,103
1807	1,142,120
1808	1,081,849

6) 6,771,287

1,128,557 - annual average

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From the years 1812 to 1819, the Company's exports of woollens to Canton, were as follows:

	£.	
1812 } I have not been able to procure		
1813 } the amounts for these two years.		
1814 - - - - -	829,070	6) 4,258,319
1815 - - - - -	705,032	
1816 - - - - -	858,164	709,719 - annual average.
1817 - - - - -	624,128	
1818 - - - - -	673,297	
1819 - - - - -	568,628	

The average yearly value is 709,719 *l.*, being more than 20 per cent less than the average exports from 1809 to 1811 inclusive, and more than 37 per cent less than the average exports from 1803 to 1808 inclusive.

Joshua Bates, Esq. called in; and Examined.

Joshua Bates, Esq.

3198. YOU are an American?—I am.

3199. How long have you been in this country?—I have been fixed here about 10 years.

3200. Have you been for some years an agent for the trade of some American houses in this country, and are you at present a partner in the house of Baring, Brothers, and Company?—I am: I was agent first for an American house connected with the East India trade; afterward as partner of the firm of J. Bates and John Baring, who had the management of the business of an American house, more particularly connected with the China trade; and lastly, as partner in the house of Baring, Brothers and Co. in the same trade.

3201. Have you been acquainted with the general trade of America with India and with China?—For the last twenty years I have been constantly in situations that placed me immediately in connection with that trade, both in America and in this country.

3202. Has the China trade been carried on by the Americans generally by different houses, or has it not within these few years got into the hands of a very few houses?—Several years ago—say 20 years ago—it was in the hands of a very few: the number increased: and three or four years ago there were a great number trading to Canton, of which many have failed; and now I should say that the number is small again.

3203. Have not your friends carried on a large portion of the New England part of that trade?—I should think they have the largest portion by far.

3204. Should you say more than one half of the whole?—I think at times one half of the whole.

3205. Has not that trade consisted in shipments from America to China by themselves, in shipments from Europe to China under your direction, and then in returns from China to America and to Europe?—That has been the course of the trade.

3206. By whom is the business conducted in China?—For 20 years it was conducted by Mr. Cushing, who was a partner in the American house; for the last two years it has been conducted by a Mr. Forbes, who, I am sorry to observe by the last accounts, was drowned at Macao.

3207. Were those persons partners in the American house, or were they there acting on commission?—They were partners.

3208. So that it is an American house, with an establishment of partners in China, who carry on the trade there?—Yes; it is an American house, with partners in China and America, and agents in Europe.

3209. And they do not conduct it through any agency in that country, other than that of their partners?—None other.

3210. You state Mr. Cushing to have been 20 years in that country; is he at present in England?—He is.

3211. Do you not understand that he objects to appear as a witness before the Committee?—He expressed his unwillingness to me to appear, and decidedly objected to come, unless the laws were such as to compel him.

3212. Did he assign any reason for so objecting?—He assigned a reason to me confidentially.

3213. In

Joshua Bates, Esq.
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3213. In this country, in what quality do you act, as agent for this trade; have you any interest in the trade itself, or do you act merely on commission?—We have no interest whatever; we are merely commission merchants.

3214. So that neither you nor they can have any interest in the profit or loss which may arise in the trade beyond your charge for agency?—None.

3215. Has that been the case throughout your agency?—Always.

3216. What portion has the house of Perkins and Company in China had of the American trade from China to Europe?—I should say for the past year one half.

3217. In whose hands principally is the other half?—Of different merchants; some residing at Boston, some at New York and Philadelphia.

3218. Does not Mr. Brown of Liverpool represent a large portion of the remaining half?—The shipments from Liverpool I conceive to be returned to Philadelphia, not to come into the trade from Canton to Europe. The course is from Liverpool to Canton, and from thence to Philadelphia: they have, I believe, shipped very largely of British manufactures.

3219. Have you any statement of the whole amount of the American trade in China?—Here is a statement of the amount of it in value, from 1815 to 1826, both exports and imports.

3220. Will you be so good as to state by the year the amount of the American exports from China in the year 1820–21?—Four millions of dollars.

3221. What was the amount of the imports in that year?—Four millions of dollars.

3222. What was the amount of the exports and imports in 1826–27?—The amount of the exports is 4,300,000 dollars, the imports 4,200,000.

3223. Can you state the amount in 1827–28 and in 1828–29?—I can state the amount in quantity, but not in value.

3224. Can you state whether in 1828–29 there is an increase or a diminution upon 1827–28?—There were exported from Canton in 1826–27 to the United States, 102,000 chests of tea; in season 1828–29 there appear to be 80,000.

3225. Can you state what was the amount which the American houses sent to Europe?—In 1828–29 the shipments to Europe were 14,000 chests.

3226. Besides the trade of the Americans to America and to Europe, do they carry on any China trade to any other parts of the world?—There is some trade to South America and to the Sandwich Islands, to Manilla, and to the north-west coast of America.

3227. Have they a considerable trade to the Brazils?—Now and then they have a ship to Brazil, touching at Buenos Ayres, not to a very large amount.

3228. Do not the Americans carry on nearly the whole of the China trade with the different new governments of South America?—I should think they probably did carry on nearly the whole.

3229. To what cause do you ascribe the falling off of the trade in the year 1826–27?—It had been overdone very much. Some persons in the United States had conceived the project of a monopoly in the trade, and even went so far as to suppose they could run a ship to Canton every month; the prudent traders to that part of the world retired, and those who carried on the business in this way were soon ruined.

3230. Has it not been for some years an unprofitable trade?—It was not unprofitable previous to those operations of individuals who attempted to drive others out of the trade.

3231. By what means were they to drive others out of the trade?—They thought that they could import so much tea, and that they had such superior skill in judging of it, or in assorting it, that they would drive out the old traders, and thus get possession of the business.

3232. Did they succeed in that attempt?—They all failed; all who attempted to transact business in that way.

3233. Was there not a great deal of money lost in the America China trade for some years?—The regular traders to Canton never have lost much; it was a blank business for a time; but they are all wealthy people now; they do not appear to have suffered much from it.

3234. Has that trade revived since?—I do not think it has become to the same extent as it was.

3235. Is it more profitable than it was?—I have understood that last year the chief business, which is in manufactured silks, was not profitable.

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3236. Was the tea trade profitable?—The tea trade was fair last year, so far as I am able to judge.

3237. Can you state the proportion of the tea exported from Canton by the Americans as compared with the East India Company's exports?—The Company have, to the best of my recollection, exported 330,000 chests, or 300,000 or 350,000, as the season may be, and the Americans 120,000 or 125,000.

3238. Should you say, upon the average, that the American export of tea is about one third that of the Company?—I should think it was more than one third. The consumption in the United States is about 7,000,000 of pounds, that is about one fourth of the Company's exports; that does not include the shipments by American vessels from Canton to Europe.

3239. Have you any means of stating a proportion of the whole trade of tea in China as between the Americans and the Company?—The 14,000 chests mentioned as shipped from Canton to Europe in 1828–29, were all shipped by Perkins and Company: but they did not all come in American ships; there was one Dutch ship, and one French ship.

3240. Adding that to the other amount you stated, what is the whole amount of tea shipped by Americans from China?—That would make 94,000 chests.

3241. What proportion does that bear to the Company's exports?—The consumption in England appears to be about from 25,000,000 to 28,000,000 of pounds. I have that information here for several years, but I cannot now recollect where I procured it, therefore cannot rely on it. I have the prime cost of the Company's teas at Canton from 1809 to 1829. In the 1818–19 season, there appears to have been brought 21,000,000 of pounds of teas; and in 1819–20 there appears to have been sold in London, 29,000,000.

3242. Of the whole of the American trade what proportion is conducted by your correspondents?—That varies from year to year; but I should think last year one half nearly.

3243. One half of the American consumption, and one half of European, or one half of the whole trade?—One half of the whole American trade, and all the European trade in the supply of teas, except what the Dutch Company have.

3244. Have Messrs. Perkins a large establishment at Canton for the transaction of this great business?—I believe they had only Mr. Forbes, and a lad of 15 or 16 years of age: they have, of course, servants besides.

3245. Do they derive their compensation from a share in the profits, and not from any charge they make for agency?—That is the way in which it is arranged, I believe.

3246. Have you at present any homeward-bound ships under your management, either expected or arrived?—No ship has arrived from Canton this season, and we cannot know whether we have any ships coming.

3247. Had you any last season?—Last season we had a great number of ships to Europe.

3248. Did they come direct from China to Europe?—They came from China to Cowes, and a market.

3249. By coming to Cowes and a market, you mean that it is the practice of the American trade to stop in any port in the Channel for orders from their correspondents in London, who direct them to the best market, according to their estimate of the European markets?—That is the object of coming to Cowes.

3250. Those ships being so come to Cowes, and a market, where were they sent by you?—They were sent, one to Rotterdam, one to Amsterdam, and two to Hamburgh; there were two other ships, a Dutch and a French ship, which went direct, it being necessary, in order to secure the lower duties, which are payable on direct importations in ships of the country.

3251. Have the adventures of which you speak been profitable?—I should say that the returns of teas generally are not profitable.

3252. Do you mean not profitable taking their invoice cost in China?—It has always been very difficult to make a par remittance in teas.

3253. Have the teas of the last year not been profitable?—Last year I should say they have paid very well; I cannot speak from very precise knowledge of it; the year before they were losing.

3254. But, generally speaking, have not the house in China considered that the outward shipments have been the shipments which have given the profit, and they have looked to the teas rather as means of remittance home?—I cannot say what

may have been their views with regard to it, but I should judge that it was so considered.

3255. Has not that, upon the average of years, been the general result of the trade?—I cannot speak as to the result, not having the winding up of the business; but I judge, by its continuing, that it has been satisfactory as to the result.

3256. If the general result has been satisfactory, and the remittance of teas home has been rather losing, must not the outward adventure of necessity have been profitable?—I should draw that conclusion from it, certainly.

3257. Are you acquainted, by communication with your correspondents, with the manner in which they transact their business in China?—I have had a good deal to do with people connected with the China trade for a long time, and have had several friends established there, and from them I have learnt something of the way in which they do their business there.

3258. Do you know whether they trade with the Hong, or with the outside merchants?—I believe they trade with one or the other, as it may be most for their interest.

3259. Do you know practically whether it has been found most for their interest to trade with the one or with the other?—I believe, for large operations, they have found it most advantageous to deal with the Hong merchants.

3260. Do you suppose that a greater portion of the American trade goes through outside merchants than of the English trade that goes to China?—I should think it did.

3261. Do you know whether those outside merchants with whom they trade are merchants of substance?—Some of them, I have understood, are.

3262. But that they trade generally as they find they can do so to the best advantage?—Yes.

3263. Did you ever hear that they found any difficulty in securing their ships?—I never heard of any. I always understood it was a place where it was the most easy to transact business of any place in the world.

3264. Did you ever hear of any difficulty in procuring tea?—No.

3265. Is not tea considered an article of which almost any quantity can be procured there?—I cannot speak, except from conversation with others. I have always understood that every body in China drinks tea, and therefore of course the quantity which is exported must be very small in comparison with the whole.

3266. Is there not always a great abundance of tea in the market?—There are generally 50,000 or 60,000 chests remain over.

3267. Is not it very frequently a condition made by the Chinese in taking goods outwards, that the person dealing with them shall take tea?—I should think that a person who managed his business well would not make any arrangement of that kind.

3268. Is not tea an article which generally is superabundant in the market?—I believe the Chinese understand pretty well the wants of foreign countries; they endeavour to bring forward the quantity that is wanted, and very little more.

3269. Do you understand that Messrs. Perkins make their purchases from the Chinese on as good terms as the Company?—I have no doubt they do for their contract teas, whenever they make contracts; but I should suppose that they make their purchases to better advantage by taking any and every opportunity, according to the fluctuation of the market.

3270. Do you consider therefore that not confining themselves always to contract, but by purchasing sometimes by contract and sometimes in the open market, they buy, upon the whole, on better terms than if they did the whole of their business by contract?—Undoubtedly; the contract price of tea has not varied but very little for a great number of years, not more than 1 *d.* or 2 *d.*, but they frequently fluctuate 40 or 50 per cent; they fall that much.

3271. Do you mean that they fluctuate between the contract-price and the market-price, when the contract is over?—The prices fall from November to February; frequently the teas which are thus sold are not the same sort of teas; but teas that are sold at certain prices in November would sometimes be bought at 20, 30, or even 50 per cent lower in February.

3272. What do you mean by the teas not being of the same sort?—There may be some among them of the same quality as the contract teas which the Company take, but the greater portion of them are inferior teas.

3273. Are they the rejected teas of the Company?—Probably the Company never saw them; they are not of a quality that they would look at, but sometimes

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I believe the Company make purchases of those teas, picking out the best of them.

3274. Is there not a considerable quantity of tea always in the market that has never been offered to the Company at all?—I should think there was a great quantity.

3275. Do you consider the quality of the Company's tea better than the quality of the tea exported by Perkins and Company?—Better, generally speaking; the qualities which are bought for this market will not answer for other markets; other countries will not pay a price to compensate for the finer qualities, particularly of black tea.

3276. Is the quality suited for the American market superior or inferior to the quality suited for the English market?—I should say that the black teas were inferior, but the green teas are of equal quality, and being used fresh there, they appear to be better than in England; they have rather more flavour, perhaps.

3277. How is the quality of the tea exported by the Americans for the continent of Europe; is it better or worse than the Company's teas?—Sometimes they have taken the same quality as the Company, but it will not answer; they will not pay a sufficient price for it on the continent.

3278. Generally speaking, what is the quality suited for the Dutch market?—It is of a middling quality, not so good as the Company's, and not very bad.

3279. So that if you saw the price of any denomination of tea, taking Congo or Souchong for instance, in London and Amsterdam, you would not consider a mere comparison of the prices for a given denomination of tea as any proof of the relative dearness or cheapness in the two countries?—None whatever.

3280. How are the qualities that suit the German market as compared with England?—Qualities similar to those used in Holland.

3281. And the French market?—The French market requires better tea than the German: they are willing to pay for good tea.

3282. Is it equal to the English?—Equal. Teas will find buyers there at prices in proportion to their quality.

3283. The average quality, therefore, of the black teas shipped by the American house at Canton is upon the whole inferior to that of the India Company?—I should say decidedly so.

3284. Can you state the per-centage of inferiority between the teas suited for the Dutch market and the English market?—I have before me an invoice of contract teas, the same as the Company ship, in which I see Souchong is put down at 35–37–39 tales, and there are other Souchongs that cost 23.

3285. Should you say that the Souchong bought at 35 was of the Company's quality, and the other at 23 was of the inferior quality which you have described as suited to the Dutch market?—The Chinese always fix prices for three different qualities—the first, second and third; and this being the cost of contract Souchong, that would be about the price at which the Company would have contracted at that particular time: the other I can only suppose to be inferior tea from its price.

3286. Has the house in China any difficulty in getting whatever quality they please in the market?—I am not aware that they have any.

3287. If, therefore, they take a cheaper sort of tea for any particular market, does it not arise from a choice of theirs, and a desire to accommodate themselves to the peculiarities of different markets, not from any difficulty of obtaining finer teas, if they paid the price?—They experience no difficulty in procuring the finer teas; they frequently do ship them; and the shipping of a middle quality is as a matter of interest entirely, because they can gain more by that quality than by the other.

3288. It is presumed that one of the calculations of a merchant is to assort the qualities of his article according to the demands of the particular markets?—That is the practice of all merchants, I believe.

3289. Do you know whether among the Company's teas the same denominations have the same prices, or are there not variations of price for teas of the same denomination?—I should think there must be variations for different chops.

3290. Then all their Souchong, for instance, is not of one given price?—Certainly not; it must vary according to the quality.

3291. So that the Company here give us some superior and some inferior teas of the same denomination?—Of some particular kinds there certainly is inferior tea; but I should think that it would be hardly right to say that they give you inferior and superior: they give you superior and middling tea.

3292. If there were a free trade of tea to this country, do you think that the consequence would be that we should get more of the inferior and less of the superior than we now get?—I think the high duties in this country serve to prevent any inferior article from coming here for consumption.

3293. If the duties are *ad valorem*, does not that do away with that objection?—Still it would have the same effect.

3294. Did you ever see what is sold for tea in any of the small towns or villages of this country?—I have certainly tasted inferior tea.

3295. Did you ever see in America any thing so bad as that which is sometimes sold in this country?—I do not think I have seen any so bad; but I do not think it is tea: I think it is an adulteration with gooseberry leaves, or something of that kind.

3296. Would not there be less of that adulteration if there were brought to this country some of the lower qualities of teas?—It would depend upon how brought. If the price was brought down so that the object would be trifling, there would be no adulteration, I should think.

3297. You think there would be less inducement to adulterate the low-priced teas than the higher?—Certainly, there would be.

3298. Do not the Americans usually carry on their trade in their own ships?—They do.

3299. The business of merchant and ship-owner are not separated as they are in this country?—No, they are combined.

3300. Does not that make it rather difficult to ascertain the precise value of freight in America?—No; there are many ships that go on freight of course; it is a thing established as much as here.

3301. Can you state to the Committee what would be the amount of freight from America to China and back, or from America to China and back to Europe?—They go generally in ballast. A ship-owner, within two years, offered to furnish first class ships at 30 dollars per ton, that is about 6*l.* 10*s.*, to go from America to load teas at Canton, and return to Europe or America; they would take out any cargo that the freighter might wish to send.

3302. You mean that the party engaging the ship would have a right to fill her to any extent he might wish, out and home?—Yes.

3303. But the habit of the trade is such that there is very little freightage out?—Yes.

3304. Upon the average, what time does that voyage take?—Upon the average about 11 months; many go in 10 months, but it is fair to calculate a year.

3305. Are you speaking of ships of the first class?—Of the first class.

3306. Are they ships in which you would trust valuable commodities, requiring to be kept dry, as soon as you would in any ships of the India Company?—Certainly; ships cannot be built stronger or better.

3307. Would you say that they were perfectly suited to the safe conveyance of a delicate article?—Certainly.

3308. Should you think them as little liable to sea average as any other ships?—I should think they were less liable to it perhaps than any other.

3309. What size are the American ships generally?—Four hundred tons is about the size.

3310. Are those considered better for the trade than larger or smaller?—I think they have been found in most trades to be the most economical size; that is, to carry the largest cargo at the smallest expense.

3311. Do you know how many men an American ship of 400 tons going to China is manned with?—I do not remember whether it is 18 or 19 or 20, but the entire number of persons on board is between those.

3312. What is the ordinary rate of premium on insurance?—The premium has been two and a half per cent at Lloyd's for a voyage out from London to Canton in an American ship; I think it would be two per cent if the insurance were now to be done here.

3313. Is that on goods or on specie?—On goods, on specie less.

3314. Do you find any difference in the insurance upon an American ship that goes out from here and a Company's ship?—There is a difference in the rate of insurance, but I think it ought not to be. I observe that on the Company's ships they pay three per cent for the voyage out, and on the American ships I think it could be done at two. There is not much insurance done on Americans here, but it should be considered that the Company's ships stop at various places to land

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stores, perhaps go by way of Madras or Calcutta, and therefore, although I think three per cent is too much for them, it is not, on the whole, so far out of the way.

3315. Can you state the comparison between the American ships and the Company's ships that go direct from London to China without stopping?—I believe they charge that sum when they go direct. There is something about it which I think I do not understand; there must be some clauses in the policy, otherwise I am sure three per cent never would be paid. There cannot be better ships, and commanded unquestionably by men of first-rate abilities, and it is very rarely any accident happens to them. The rate of premium appears to me unaccountable.

3316. Do you say confidently that that rate of premium does exist?—I am sure it exists, and it has surprised me frequently.

3317. Do not you think it may be ascribed to the fact, that with respect to large ships, however well constructed, their going out and coming into harbour is always a more difficult operation than with ships of a more moderate size?—Unquestionably it is; but in those long voyages there are only two ports, one to leave and one to make, and those are such as are easily made. I do not think that hazard is material.

3318. You have stated the premium at Lloyd's; what would be the same premium done in America?—I think they have even gone so low as one and a half per cent from the United States to Canton direct.

3319. What is the premium out and home from the United States?—Perhaps three to three and a half.

3320. Would it be the same from America to Canton, and back to Cowes and a market?—It would depend on the season, in some degree; if the voyage was to end late in the season it would be rather more.

3321. Supposing the ship to come into the Channel at a favourable season of the year?—I should think they would probably require a little more, perhaps a half per cent.

3322. That ship would have not only to come to Cowes, but would have again to go to a market on the Continent?—She would.

3323. Are the premiums generally higher or lower in America than at Lloyd's?—They are generally lower; but the average clauses are not the same, which sometimes makes the higher premiums at Lloyd's more advantageous than the lower premiums in the United States.

3324. Do you think you could, now at the present time, procure good ships to go to China and bring back teas at 7 *l.* 10 *s.*?—I have not a doubt that I could get any quantity.

3325. Do you mean American ships?—American ships.

3326. To go either from America or from Europe?—From either.

3327. Could American ships be hired in the river Thames to any amount?—Not to any extent; you will generally find four or five small ships there.

3328. When you talk of 7 *l.* 10 *s.* per ton, what ton do you speak of?—That is the ton of 50 cubic feet.

3329. Is that the same measurement by which the Company's contracts for freight are made?—It is the same measurement by which the Company's contracts are made; they take 50 cubic feet, I believe. The price was 30 dollars for 40 cubic feet, which being brought into the Company's measurement makes 7 *l.* 10 *s.* for 50 cubic feet, which is the Company's measured tonnage.

3330. From your experience of the shipping of this country, do you suppose that British shipping could be got at prices equally advantageous?—I am afraid not, they cost so much more. I should think the ship-owners here could not afford, with the high prices of provisions and the cost of their ships, to navigate so cheap.

3331. Can you state what you think the difference would be at which the English ship-owner could afford to do the same trade?—It requires a long calculation to determine that. I see the cost of a first-class ship in the United States would be 15 *l.* per ton, complete for sea, while here the price, I believe, would be 25 *l.*

3332. Are you speaking of a river-built ship?—A river-built ship would cost 25 *l.*, a northern built ship would cost 20 *l.*; it depends altogether upon what class of ship one would charter; but with this increase in the value of the ship and the high price of provisions, and the sailors, I believe, are rather dearer here than in the United States, there would be a difference perhaps of one fourth in the freight.

3333. Are you speaking now of the freight at which the English ship-owner could do the same voyage?—I should think he would require a fourth more.

3334. Is not a British ship more durable than an United State's ship?—There is no doubt she is more durable; but that part of the ship which decays more in the American than in the English is very easily replaced in the United States; timber is very cheap; therefore in a copper-fastened ship the wood part of it is a very small part of the expense.

3335. Are you of opinion that the American could afford his freight at one quarter less than the British ship-owner?—I should think he could; but I may not be correct in that; it requires some figures to come to it.

3336. Is that entirely owing to the difference of construction, or to what extent, cheapness of navigation?—I should think one half is the cheapness of navigating.

3337. You think the difference is about equally divided between the expense of building and the expense of navigating?—That I should say is about the division.

3338. Would it put the British ships more upon an equality if those ships for long voyages might be victualled at the price of provisions on the Continent of Europe?—It would make a very great difference.

3339. If for instance they could be supplied with bread and other provision-stores at the price of the bonded warehouse of corn, would that make a considerable difference?—It would make a very great difference. It was the case that they could be so supplied some time ago; but I imported some beef from America to supply that demand, and they altered the law here to prevent it; that was about the year 1826.

3340. Your object being to victual your ship with foreign provisions?—That was the object of bringing the beef here.

3341. Have there not been instances of ships clearing out from ports of Europe in preference to using ports in England, for the express purpose of cheaper victualling?—I should doubt whether that was the case; they can always in coming from a foreign port bring their bread; and there is no place on the Continent where beef is packed so well as in this country.

3342. Do the American ships that go out from here sometimes bring their bread with them for the purpose?—They generally bring their stores with them; they endeavour not to want much here; when they come from Canton of course their stores are exhausted.

3343. With reference to the difference between the amount of premiums on American ships and on the Company's ships, are you aware that risks on the Company's ships are always subject to the destination of the ship being altered, or the ship being taken up as a transport, whilst an insurance on an American ship is not liable to any risk but from port to port?—I should think that might account for part of the difference. I was not aware that those clauses existed in the charter-party. I should think there is something more than that which causes the premium to be so high.

3344. Have you heard of any cases of the Americans suffering from any conflict with the Chinese authorities at Canton?—I only remember one; that was the case where an Italian sailor, who had committed murder, was given up to be strangled according to their laws; it was done very quickly, I believe.

3345. Do the Americans use much of the authority of their consul there?—I should think very little.

3346. Is there any difficulty of trading there which makes them desirous of a more powerful representative of the country in the port of Canton?—I am not aware that there is any such desire; the trade has always gone on very well, and without any difficulty.

3347. Is their trade sometimes directed to other ports than that of Canton in China?—I do not remember to have heard of any case of their going to any other ports; it is possible that it might have taken place.

3348. Do not they send goods to Manilla sometimes?—To Manilla, and all the islands ports in the Archipelago.

3349. Do they take out goods suited to those different markets?—They take all goods suited to those markets; imitations of Indian manufactures, and the like.

3350. Do you know of any voyages that have been undertaken to Cochin China or Siam by any of your countrymen?—There was a voyage undertaken by Captain

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White, who published a journal of it, to Cochin China; and Captain Coffin, who is here with the Siamese youths, made a voyage to Siam; his vessel was fitted here, or rather the cargo was sent to him at Hamburgh from hence.

3351. Did he accomplish his voyage?—He went there and traded, and has repeated his voyage since.

3352. Was that the simple effect of a single trader, or was any consul, or was any official person put forward to mediate with the government?—None other than Captain Coffin; he managed his own affairs.

3353. And he did trade at Siam and came away?—He did.

3354. Do you know whether he made a good adventure of it?—I believe very fair.

3355. Do the Americans trade to Sincapore?—They, I believe, are not allowed to trade direct to the little spot called Sincapore; they call there and make their bargains, and they are obliged to lay off, or to go to some little distance to accomplish the business; it is not legal for them to load and unload at Sincapore; they have a little traffic there, but not much.

3356. Do you think that a larger proportion of the American trade in China is done through smuggling than of the English trade that goes there?—The only smuggling that I have ever heard of, that might be called such, is that of opium, which is a prohibited article. There is no doubt that both the masters and supercargoes in the private trade, as well as the Company's masters and officers, do smuggle a little, some trifling things, but I think not to any amount that is worth naming; the great smuggling business is that in which the Company are so far interested, that they furnish the materials, the opium; and no doubt the success of that trade is very important to the revenues of the Company in the market it furnishes for the opium.

3357. But you do not think that the American part of the trade is more a smuggling trade than the English?—Certainly not; there is only one American ship, and there are usually five English ships lying at Lintin for that purpose.

3358. Do the five English ships that are lying there carry on the English country trade?—They are regular ships stationed there for the purpose of smuggling, and nothing else.

3359. Do the Company's ships ever drop any goods at Lintin for the purpose of smuggling?—I should think not, excepting a few small articles belonging to the officers, nothing worth mentioning.

3360. Otherwise is the American trade at Canton carried on as respectably, and with as respectable and substantial persons there as the trade of the Company?—It is. I should say the Company has no advantage there other than that which the magnitude of their operations gives them; any commercial house, with the same amount of business, and moving with the same regularity, would have the same advantage.

3361. Will you be so good as to state to the Committee for the last four or five years the amount of your shipments to Canton for American account, beginning with the years 1826 and 1827, and the articles of which it consisted?—In 1826 the amount was 120,000 *l.*; and in 1827 the amount was 85,000 *l.*; it consisted of cottons, woollens, iron, copper, quicksilver, cochineal, opium, linens, watches, and tin plates.

3362. Is the iron bar-iron?—Bar-iron, and nail-rods, and hoops.

3363. Is the cotton, cotton-twist or printed cotton?—Cotton cloths printed.

3364. No cotton-twist?—Not in 1827; that is a more recent article.

3365. What was the amount in 1828?—The amount in 1828 was 98,000 *l.*; and the amount in 1829, 147,000 *l.*

3366. Are the articles you have stated the general articles of which all the adventures are composed?—Perhaps there are some articles in the shipments which are different; there are some investments for the Manilla market, which if they do not suit at Canton, are sent on there, but that would vary from the general character of the shipments.

3367. Are they assorted according to the advices you receive of the capabilities of the different markets around?—Yes.

3368. Do not you think that with private traders there is a stimulus to great industry and exertions in seeking out new markets, and new branches of trade which no company can rival?—I certainly think that in pushing trade, individuals succeed better than companies; in any trade that requires management and perseverance they will be more likely to succeed.

3369. Do

3369. Do you send out any raw cotton from this country to China?—We did last year send out a cargo of cotton, having a ship going empty, and cotton being very low here we filled her with cotton; it was Surat cotton, bought here.

3370. It is presumed that that could not be done but for the fact of the outer freightage being of very little value?—Yes.

3371. Did that cotton pay?—We have not heard of it yet; it was shipped in 1829.

3372. On goods you send out there do you put the Company's mark?—We do not; we put one as near like it as we can make it, without its being the real mark of the Company.

3373. Is it distinguishable from the Company's mark?—Very easily by any person accustomed to look at those things.

3374. By the Chinese?—With the Chinese it is found that it does not answer, for the Chinese, as soon as they get the goods into their possession, strip off our mark and put on an exact imitation the Company's mark.

3375. Do you put on such a mark as you are directed to put on by your correspondents?—Yes.

3376. Are the initials of the house of Perkins on the mark?—They are.

3377. They are put instead of the initials of the Company?—They are.

3378. Do not you put the American flag instead of the English flag?—Yes; and put a globe instead of a crown, and leave out some things entirely.

3379. Do not the Chinese, to whom your goods are delivered, know that they are not the Company's goods; do they suppose themselves to be buying of the Company?—Certainly not; they know very well who they are buying of, and that they are not Company's goods; it is for the purpose of their currency in the interior, I suppose, that they wish to have the marks conform as nearly as possible to those of the Company.

3380. If the Chinese strip off your mark and put on the Company's mark, before they send them into the interior, of what importance is it to mark them like the Company's?—I do not think it is of any importance, it is better to be done there.

3381. In the purchase of your woollen goods do you employ a gentleman of the name of Everett?—We have employed Mr. Everett; at present we employ no one, we buy them ourselves.

3382. Do you buy by contract?—We have contracts with the manufacturers.

3383. Do you make your contracts on as good terms as the Company?—I think better; probably to the extent of six or seven per cent.

3384. Do you think the quality of your goods is as good?—We endeavour to have them as good; perhaps in some instances they are not quite so good. The reason why we can buy a little better is, that the Company has a very severe examination, which can be better managed between individuals than with a Company.

3385. Do you mean by saying that it can be better managed, that you have a better means of compromise with the manufacturer in case of any slight deviation from patterns?—I should say, in many cases, a piece of cloth that at the Company's warehouse would be thrown out as imperfect; a man would come to me and say, I will make you an allowance of so much on that piece of cloth, and by removing a stain, or setting in a piece, or the like, it would be accommodated; whereas there is no possibility, I believe, of his doing that with the Company; at least they tell me so.

3386. Do you suppose that any considerable portion of what you send out is goods that have been rejected by the Company?—I should think not; perhaps sometimes we buy them at a very great sacrifice, when rejected by the Company. I belive the party with whom we contract for the chief part of our woollens would not offer a tender to the Company from the fear of loss, by having his goods rejected for trifling faults.

3387. You think the power of the Company arbitrarily to reject, prevents manufacturers of character from tendering goods to them?—I think that the system which is necessary in all large establishments renders the chance greater that some will be rejected for trifling faults; and if the manufacturers find, in their contracts with the Company, that they lose on those rejected goods, they will contract at considerably less with individuals with whom they can accommodate the matter without a loss.

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3388. Do you consider that you buy with as good credit as the Company?—Certainly; we pay ready money.

3389. Do not you think that by means of your correspondence with the persons interested in the trade you have better means of accommodating your supply to the peculiar demands of the market?—I should say, that in that respect we have no advantage over the Company; the officers of the Company are, I believe, industrious; in that respect, perhaps, individuals with less business may find more time to investigate, and may recommend some articles which may succeed, which would not be thought of, or would not be noticed by a large body.

3390. Has your exportation of manufactures been profitable?—I have no means of knowing, other than that I judge so by the increase.

3391. Is it upon the increase?—It seems by the statement to be increasing.

3392. Has not the American house for which you act had several partners who have made large fortunes in the trade?—Those that are dead all died very rich: those who have of late been partners in the house are also very wealthy.

3393. Supposing the trade to China were opened to every body in this country, do not you consider that it would be an injury to the American houses?—Eventually I should think it would; perhaps immediately, in the destruction of the business in which I have been engaged for them. Eventually, it would probably injure our direct trade to Canton; it would probably raise the price of teas for a time at Canton.

3394. In what way do you think it would raise the price of teas?—The Americans would probably buy up all the teas, if they could get hold of them; at least, there would be room for speculation.

3395. Do not you apprehend there would be a great deal of overtrading for some time?—Undoubtedly there would be.

3396. And that the first year such a trade would be attended with great losses?—Generally that has been the case where a trade has been opened; but the distance to Canton is such, that it would perhaps be less than in any other place.

3397. Do not you think the ultimate result would be a considerable extension of the trade?—I have no doubt it would increase very much, so far as the sale of British manufactures in China and the neighbourhood is concerned.

3398. You have stated the value of your exports to have increased from 85,000 *l.* in 1827 to 147,000 *l.* in 1829; from the increased cheapness of the goods, has not the quantity of your investment increased more than in proportion to the increase of the value?—With reference to that increase in 1829, my impression is, that there was a quantity of opium purchased in this market which might amount to 20,000 *l.*. and that would have accounted for part of it; but with relation to British manufactures, I doubt whether there has been any considerable fall between 1827 and 1829; probably the quantity has increased more than the amount.

3399. Do you know of any goods sent from this country on account of Messrs. Perkins and Co. having been sold at a discount in China?—Never.

3400. Have you heard of the Americans having lost by the export of manufactures from this country to China?—Never.

3401. Do not the Company deal upon contract with respect to their teas in China?—Principally on contract.

3402. Do not you think that the dealers in teas would be more likely to regulate their supplies of tea, so as to furnish a regular supply of good tea, while depending upon a contract, than if they were to depend upon a fluctuating market?—That is a point which I think remains to proved; there is a difference of opinion with regard to that among those who reside on the spot; some Americans say, that they believe the Company keep the price of tea up; that they are confident the mode of dealing keeps the price of tea up; others are of a different opinion, and think that the supply might fall off, or that the price might fluctuate, and be very much against foreigners if the Company were not there.

3403. Do you know that the tea is sold here by the Company genuine as imported?—It is.

3404. Have you ever heard Americans express any alarm on the prospect of a free trade from this country to Canton?—I have certainly heard them express some degree of alarm for their own China trade in case it should be opened, that they might eventually be obliged to come to London for their teas, from the course which trade would take in consequence of that change.

3405. Do you think, in case of a free trade between Canton and this country, that the trade would very much increase from England to Canton, and lessen from America to Canton?—If the trade was thrown entirely open, and teas treated as any other commodity, and allowed to be warehoused here, and brought in foreign ships, my opinion is, that this country would absorb the whole tea trade of Europe, and of course injure that of America.

3406. Do not you think that the Americans, by some counteracting duties, would still keep the supply of tea to their own ports?—There is a small duty upon teas from other places than from China now, but it seems probable that the duties will go entirely off in America, that there will be no occasion for duties.

3407. Supposing that to be the case, might they not, in order to secure their own navigation, make new laws for that purpose?—They might, certainly.

3408. You stated the different prices at which Souchong was sold; are you aware that the price of Souchong tea at the Company's sales in the years 1828 and 1829 was 2 *s.* 10 *d.* per pound, whilst in America at the same period it was only 11 *d.* and 12 *d.* per pound?—I should say that the Souchong that was sold in America was in the first place inferior to that of the Company, and in the next place that the Company got a very brilliant profit on their importation.

3409. It appears that there was the same difference of price in the price of Bohea tea in the years 1828 and 1829; the price at the Company's sales was 1 *s.* 6 *d.* per pound, and in New York, in the same year, it was 8 *d.* and 9 *d.* per pound. Does any thing suggest itself to you upon that?—Nothing more than that it is a monopoly here, and it is free there; however that great difference should not be set down to monopoly, because there is no doubt some difference in the quality.

3410. In your estimation, is there that difference in the quality which would justify that difference in the prices?—Certainly not.

3411. Was not it a losing trade importing that tea into America at those prices?—Generally it has been a profitable trade; those who have been engaged in it have made fortunes.

3412. The question refers to the particular prices that have been mentioned, of 8 *d.* for Bohea tea?—My impression is, that the lowest price for Bohea tea at Canton, in that year, was about 12 tales, that would be about 6 *d.* a pound.

3413. You stated, that many houses in the China trade have failed in America; do you attribute those failures to losses upon their homeward cargoes?—The failures are undoubtedly owing to their mode of transacting business. It appears that the parties who have failed for such large sums who have been in the China trade, one in particular I happen to know all about, was a grocer and tea dealer, and he had acquired about 100,000 dollars in that trade, and he thought he would become a trader to China, he embarked that sum, and perhaps 100,000 more that he borrowed, and was very successful; on the return of his ship he happened to come to a good market, the cargo was sold with the duties added to it, and when he came into possession of all this money he thought he could never be ruined; that led him to project the running of a monthly packet to Canton, and in the course of carrying this plan into effect he was ruined, as might have been supposed.

3414. Was it not the case, that the teas which he had on hand at the time of his failure being sold in the market were sold at a loss?—Undoubtedly they were sold at a very great loss.

3415. Would not that account for the low price referred to in the previous question?—That would account for the low price in part. It was in the year 1828 that this gentleman failed.

3416. Are you aware that the loss of the Canada trade, and the prohibitory duties laid on in Holland, have also contributed very much to reduce the quantity which the Americans could sell?—Undoubtedly that would have some effect; but I think it will be seen that the trade in America was pushed beyond what it could bear. From 111,000 *l.*, the amount in 1823–4, it was raised to 125,000 *l.* in 1825–6, and then it fell off to 102,000 *l.* in the year 1827. In 1828–29, it was 80,000 *l.* No doubt this may be accounted for in part by the introduction of teas into Canada by the Company.

3417. You stated there was considerable facility in conducting business at Canton, can you give any instance of a ship having entered and cleared out from that port in a very short space of time?—I can mention several; but one which is within my recollection: there was a ship called the Howqua, which went from this country before I had the charge of the business of the Boston house; she sailed from here, arrived at Canton with a cargo of British goods. A cargo of teas of

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5,000 quarter chests was purchased there, shipped on board her, and she sailed again after remaining there 11 days.

3418. What was the size of the ship?—380 or 400 tons.

3419. Do you know any port where that business could have been conducted in a shorter space of time?—Possibly at Liverpool they might have done it a little quicker; but I should doubt whether it could be done even there.

3420. Could they in London?—Certainly not in London.

3421. Do you know any port on the Continent where similar dispatch could have been used?—I am not aware of any other port in the world where it could be done with much greater rapidity.

3422. Are you acquainted with any individual merchant at Canton who transacts the greater part of the business there?—I know Mr. Cushing and Mr. Sturges; Mr. Cushing is the largest.

3423. What proportion do you conceive his business bore to the whole amount of the American transactions?—I see the Company's exports are put down for the year 1826–27, including the Factory expenses and every thing, at 9,000,000 of dollars. I should suppose that the house of Perkins & Company might have shipped during the past year 2,000,000 of dollars.

3424. Do you conceive the Chinese to be an anti-commercial people?—I should say not; they seem to be very fond of trade; there is no unwillingness to deal with foreigners.

3425. Were not Spanish dollars formerly the article chiefly shipped at Canton?—From this country I believe they were, and from the United States.

3426. When did the export of British manufactures on American account commence?—I think about the year 1819 or 1820.

3427. Have you ever made any calculation as to the cost to the British public of the teas now brought by the Company, and sold here, over and above that which they would pay if bought on private account?—I should say the teas cost the country about a million and a half more than they would if bought on private account.

3428. Do you mean to say that the India Company derive a profit of a million and a half beyond what you consider would be a fair mercantile profit?—Beyond a fair mercantile profit.

3429. What would you consider to be a fair mercantile profit upon an article like tea, considering the distance it has to be brought, and the length of time that a person must lie out of his capital?—I should suppose 25 per cent would be a fair mercantile profit on the Canton cost on the finer teas; perhaps the very coarse teas would bear rather more.

3430. Do you mean including freight and insurance?—After paying freight and insurance.

3431. Is that without taking into calculation any profit upon the outward cargo?—Without that. I mean to say that on teas brought here, or brought to any market on the Continent, 25 per cent would be a remunerating profit.

3432. What should you consider the fair profit, as profit upon the use of the capital employed on such a trade?—Very small. It is a very regular certain trade, and I should suppose that five per cent beyond simple interest of the money would be a fair profit.

3433. In calculating this million and a half which you suppose the India Company to make beyond what you would consider a fair profit, do you take into consideration the expensive mode in which they conduct their operations, or do you mean to say only that the tea costs the consumer a million and a half more than it ought to do, and yet afford a mercantile return to the free trader?—I cannot enter into the question as to the expense by their mode of getting teas here; I only know what, in the course of the operations with which I am acquainted, the tea would cost me to deliver here. I think I could venture to contract to deliver it for one-third less than the Company's sale prices in London.

3434. Then your statement would not be disproved if the East India Company were to show that they did not, in fact, make a million and a half profit?—I should think if that is so it must be from some management different from what we are accustomed to.

3435. When you mentioned the sale price, did you mean the price at the Company's public sales?—Yes.

3436. Is your calculation made with reference to the teas sold in other countries, or with reference to the teas sold here?—With reference to the profit on the operation.

3437. You

3437. You have said that the freight in a British ship would be higher than in an American ship; do you know what the amount of freight is now between London and Calcutta in a British ship?—It is very low on some articles; 1 *l.*, I believe, on heavy goods; but they cannot afford to carry goods at that price; it is the passengers that pay them, or some other compensation which they get.

3438. On the average of the last two or three years, do you know what has been the freight on ships from London to Calcutta?—I should think during the whole of the last year the freight out of heavy goods, such as iron and copper, has not been above 30 *s.*, and the homeward freight has generally been 4 *l.* on similar goods, making altogether 5 *l.* 10 *s.*

3439. Would not the freight from London to Calcutta be the same as the freight from London to Canton?—Certainly not; from London to Calcutta there are always a great many passengers, which pay very well.

3440. Independently of the question of passengers, is not there as much risk attending the voyage from London to Calcutta as the voyage from London to Canton?—Quite as much.

3441. Have you been acquainted with the freight from this country to India?—We have shipped pretty largely some years to Batavia, and we have also an acquaintance with the trade of Bengal.

3442. You have stated that the tea brought from Canton to England is better in quality than the tea taken from Canton to America, or to the continent of Europe?—I say that it is so generally; there is as good tea goes to America, but generally it is not so good.

3443. Are you not aware that the great bulk of tea brought by the Company to England is tea of an inferior description?—It is what would be termed an inferior sort of tea.

3444. Would not you term Congo an inferior sort of tea?—It is generally understood to be so.

3445. Do you know the proportion that Congo tea bears to the other sorts of tea imported upon the Company's account from Canton?—In 1826–27 the Company exported of Bohea tea, 54,000 peculs; of Congo tea, 171,000 peculs; of Souchong, 2,000; of Sunchi, 1,000; of Pecco, 500; Tonkay, 5,400; of Skin, 2,000; of superior Tonkay, 2,000.

3446. Are the inferior descriptions of tea in as much demand in the United States and on the Continent of Europe as they are in England?—I doubt if that denomination of tea is much used in the United States; they confine themselves more to young Hyson; the great consumption is green tea.

3447. Do you know how that is on the Continent of Europe?—Supposing the cargoes sent to Europe are assorted to meet the demands there; I find, out of the 35,000, 1,500 Bohea and 10,000 of Congo; 4,600 Campoy, 4,000 Souchong, 2,000 Pecco, 3,000 Hyson, 2,000 Skin, 3,400 Tonkay, 2,300 young Hyson, 500 Imperial, and 500 Gunpowder.

3448. Were you rightly understood to state that it is a prevalent opinion that the Company have an advantage in their purchase of tea, inasmuch as they contract for it?—I have stated that the Company have no advantage in purchases of tea over other individuals, than what they derive from the magnitude of their operations, which any other commercial house would enjoy, if moving a like amount of business.

3449. You have expressed an opinion, that in the event of the China trade being thrown open, it would probably centre in this country; would that arise from cheaper purchases of tea, or from cheaper supplies in this country, or from cheaper shipping being engaged, or from what other cause?—There would be a great export of manufactures to those regions, and of course something would be wanted for returns. They would bring back teas, and every description of produce they could find in those countries; and not only would they bring back such, but perhaps increase them by the very act of carrying manufactures, as many of the inhabitants of those countries, who have hitherto not laboured at all, seeing such beautiful things brought out from this country, would be desirous of possessing them, and proceed to labour to get something to buy them with; and this course of trade would bring, perhaps, more tea here than is wanted; and the price being reduced, it would either be bought for smuggling into the Continent, or for exporting to those places to which it could go legally.

3450. Do you consider the trade in China susceptible of any great increased stimulus?—I see nothing to prevent it increasing very much.

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3451. Are you aware that the Company has already made efforts for that end?—That is very possible; but I think the Company is viewed with some degree of jealousy. Their ships have a sort of warlike character that subjects them to some degree of jealousy. I think individuals would be more likely to discover a mode of extending the trade.

3452. What are the reasons upon which you form that opinion?—It is formed from the experience of the course of trade in other places. I remember that in 1818 and 1819 the first shipments of British manufacture took place to Java and Manilla, to any extent, and now those places have become very extensive markets.

3453. The question alluded to the circumstance of the armed ships of the Company being viewed with some degree of jealousy?—I have always understood that the Chinese are a timid people; and in the case of Siam, I believe the Company sent an armed embassy there, and it failed, while Captain Coffin succeeded in trading very well.

3454. Do the American ships carry any guns?—They carry a few small guns.

3455. What do they carry them for?—To beat off pirates in case they should meet them.

3456. When was the embassy from the Company to Cochin China, was it before Captain Coffin went there, or after?—It was after he had made one voyage there.

3457. Do you suppose it failed because it was accompanied with an armed force?—No doubt of it.

3458. Do you think any such jealousy exists at Canton with respect to the Company's ships coming armed?—I should think they always felt some degree of fear, being defenceless there.

3459. Do you think there would be less difficulty in individuals going with ships not armed than takes place now?—I should think there would; I think they would prefer to deal with private traders.

3460. Have you known any difficulty that the Company have been under in carrying on their trade in consequence of having armed ships?—I do not know that they have been under any absolute difficulty; but there is a feeling of fear and jealousy I have always heard expressed. I remember the trade being stopped at one time by the inability of the Chinese to distinguish the Company's ships from frigates. The frigate Dollis, I think, during the late war, was chasing an American ship off the mouth of the river, the American escaped, and she pursued her by her boats, and captured her in the river; there was a stoppage then, I believe, of the trade, owing to the Chinese not being able to distinguish between a King's ship and a Company's ship.

3461. Have you ever heard from any of your correspondents what was likely to be the result in case of the trade being opened at Sincapore, whether it was likely to become an emporium for the sale of tea?—I have never heard any thing from my correspondents about it.

3462. Have you not heard that the Americans were likely to carry on a trade there, supposing they had not been prohibited by the Company?—I do not think the Americans would, because they have free access to Canton.

3463. Do you see any advantage that would be likely to arise upon the trade to Sincapore, which does not exist at Canton with respect to any difference in the duties upon the export of teas by Chinese ships as compared with foreign ships?—It is probable there may be some little difference, although I cannot state what it is; but I should think that a trade in that way which would be carried on in Chinese junks, would be very irregular, and not to be depended on much.

3464. Can you state the amount of the trade carried on between the north-west of America and Canton?—I should suppose it might be to the extent of half a million of dollars; it is falling off, I believe, now.

3465. Can you furnish the Committee with a statement of the prices paid by the Americans for tea at Canton?—I can state the prices paid at any given time; here are the prices current with the last season.

3466. Will you have the goodness to state them?—The current prices were as follows: Bohea, 10 to 12 tales per pecul; Congou, 14 to 20 tales per pecul; Campoy, 14 to 20 tales per pecul; Souchong, 14 to 25 tales per pecul; Pecco, none; Hyson skin, 9 to 18 tales per pecul; Tonkay and Singlo, 15 to 20 tales per pecul; young Hyson, 20 to 35 tales per pecul; Hyson, 30 to 45 tales per pecul;

pecul; Imperial 40 to 50 tales per pecul; gunpowder, 40 to 52 tales per pecul. *Joshua Bates*, Esq.

3467. In estimating the profits of the Company beyond the profit which a private merchant would require, to amount to a million and a half, have you referred to the tables laid before Parliament stating the prime cost at Canton, and the amount of the sale-prices?—I have referred to those. 15 March 1830.

3468. Have you seen any advices with respect to the sales of bills at Canton, which would lead you to imagine that the American commercial transactions have remained undisturbed, after the movements which are supposed to have lately taken place at that port?—I have no doubt that the American trade goes on, from extracts from the China papers, which mention transactions in different kinds of goods, which could not take place if the trade were not going on.

3469. Do you think that the free traders in Canton do not derive protection and benefit from the existence of the Company's Factory keeping the Chinese authorities in awe?—The trade may be more steady in consequence of the regularity with which the Company move, but I should not think it gave them any addititional security in their operation.

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Mr. *John Deans* called in; and Examined.

3470. IN what part of the East Indies have you resided?—In the Eastern Archipelago. Mr. *John Deans*. 16 March 1830.

3471. For how many years have you resided there?—I resided constantly for upwards of twenty years.

3472. Where was your residence during that period?—I resided for three years in Prince of Wales Island, and the rest in Java: for two years I was travelling about the Archipelago—the first two years of my being in the East.

3473. Will you be so good as to state the period at which you went to the East, and at which you left it?—I arrived in the East in 1806; I left Java in the beginning of 1828; during that time I was a little more than two years in Europe.

3474. In what capacity were you residing in the East?—Generally as a merchant; for the greater part of that time as a merchant and agent.

3475. Had you any opportunities during your residence in the East, to acquire any knowledge of the Chinese population, and did you come in contact with that population?—My principal intercourse was with Chinese settlers in the Archipelago; I carried on extensive commercial transactions with them.

3476. Did those commercial transactions give you any opportunity of knowing and studying their character?—I had considerable opportunities.

3477. Are the Chinese settlers numerous in the Indian Archipelago?—They are computed at about 20,000 in Batavia and its environs, and perhaps twice the number throughout Java, and throughout the Archipelago: they are very numerous but I have not the means of stating their exact number.

3478. What are their chief pursuits at Batavia?—They are traders, they are mechanics, and they are sometimes cultivators; that is to say, in Java, superintending cultivators: they are farmers of land, and owners of it in some parts.

3479. What is their character as traders, speaking generally?—They are keen, enterprizing traders, extremely expert in their dealings, and understand the nature of the trade of those countries in which they are settled perhaps better than any other people.

3480. Have they information that enables them to carry on their commercial transactions with advantage?—They seem to have very accurate information, and receive it very quickly too.

3481. Can you state any instance of their mode of acquiring information, and the quickness with which they receive it?—It is a well-known fact in Java, that they receive commercial information throughout the distant parts of Java much earlier than European merchants do who communicate through the regular Government post.

3482. Are there amongst them persons of wealth acquired in commerce?—There are, of considerable wealth.

3483. What is their character as merchants, with reference to the punctuality of their dealings and the mode of transacting business?—Those who have obtained

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a high reputation are extremely tenacious of it, and they are very punctual in all their dealings.

3484. Do they appear to possess more or less of the characteristics which are requisite for the business of a merchant than the natives of other oriental countries?—I do not think they are exceeded by the natives of any country as a commercial people.

3485. Do you include European countries?—I do.

3486. Is it difficult to transact business with them?—Not the least; I have never had any difficulty with the Chinese.

3487. Have you, in point of fact, transacted much business with them?—I have; very extensive business.

3488. Will you state what that business was?—I imported largely British manufactures to Java, and the medium of communication with the natives was generally through the Chinese, who purchased from me in whole cases or bales, and retailed to natives, giving me their simple notes of hand for payment, and being always punctual in meeting those demands.

3489. You have stated that there are about 20,000 Chinese residing in Batavia; are they dispersed among the other inhabitants, or do they form a class residing separately?—In Batavia, as in all other large towns throughout the Archipelago, they reside in what is called the China Camp, which is a part of the town appropriated to themselves, and there they retain their own usages and customs; even the architecture of the town is the same as in China, and the very mode of arranging the household is the same.

3490. Is any proportion of the population of a permanent character, or is it altogether a migratory one?—They are generally of a permanent character, but there are some that return to China occasionally.

3491. Are those the most wealthy that return, or do the more wealthy fix there;—They are generally wealthy people that return.

3492. Is there shown amongst them, with respect to their own consumption, any indisposition to articles of European produce?—Not the least indisposition to articles of European produce, but rather a growing taste for them of late.

3493. Are you aware of the existence of any customs or prejudices which indispose them to the use or consumptiou of articles of European produce or manufacture?—I am not aware of any.

3494. What articles of European produce seem to be matters of desire to the Chinese inhabitants of Batavia?—As household furniture, they are very partial to our glass-ware of all descriptions; to our mirrors, and other articles of ornament; and the consumption of them has greatly increased since the traders have conformed to their partialities as to shapes and patterns.

3495. With respect to dress, what is their practice?—The form of a Chinaman's dress is always the same wherever he is; but the articles of which it is now composed throughout Java generally consist of European manufactures; there are some few suited to the climate, and which have not been imitated by us, still Chinese.

3496. What articles of European manufacture are used in the dress of the Chinese inhabitants in Java?—Woollens and cotton cloths; the latter very extensively.

3497. Have you any reason to form an opinion whether the taste for European manufactures which exists amongst the Chinese inhabitants of Java is peculiar to them, or whether it extends also to the inhabitants of the empire itself?—I cannot exactly state this; the settlers are Chinese; their habits and manners are the same in the Archipelago as in their native country, I believe, and they readily adopt our manufactures in preference to their own, when those are cheaper and better. When I first went to Java in 1811, they were almost exclusively clothed in Chinese manufactures, and I witnessed a revolution there which almost clothed them in European manufactures during the time I was there.

3498. In what interval of time was that change effected?—I commenced as a merchant and agent in 1813; at that time I do not think the consumption of British manufactures exceeded 300 cases throughout the whole of Java; in 1826, the last year of which I have any precise account, the importation of cottons exceeded 6,000 cases in Java.

3499. Can you state what the value of those 6,000 cases might be in the market of Batavia?—I think they may be taken upon an average at about 50 *l.* a case.

3500. Did the consumption of woollens and other European articles increase in somewhat an analogous proportion?—Perhaps not so extensively; they did increase very considerably, and I myself at one time imported very extensively.

3501. During

3501. During your stay at Batavia have you known many new Chinese settlers fix themselves at the China Camp?—The junks generally import, I think, from 800 to about 1,500, or sometimes more, annually, settlers from China.

3502. Among those new settlers is there any difficulty in promoting a consumption of European manufactures?—They generally arrive very poor, but as soon as they obtain the means of purchasing they do not long delay availing themselves of it.

3503. You have stated that many of the persons that acquired wealth in Java returned with their wealth to China, were those persons who so returned persons who were consumers of British goods and manufactures?—They were.

3504. Have they, on returning to China; been dispersed over different parts of the country, or have they been confined to one particular province?—They have generally gone back to the province to which they belonged.

3505. Do the emigrants to Batavia belong to one particular province, or do they come from different parts of the empire?—They come from different parts of the empire, particularly the two provinces of Canton and Fokien.

3506. Are you aware what numbers annually return from Java to China?—No, I am not aware; they are very few indeed compared with those who come to Java.

3507. Have the Chinese inhabitants of Batavia any paticular prejudices with regard to their diet and the consumption of their food?—Not the least. I have dined with the Chinese merchants at as good a dinner as I could have got anywhere in India, and I have seen recently a growing taste among them for hams, both the York and Westphalia, for fish, such as mackarel and herrings, for salt butter, and for wine and beer, and particularly Geneva.

3508. You have stated that the Chinese at Batavia are purchasers of European produce for their own consumption, and also that they purchase for sale to others; is that as retail traders?—Yes; as retail traders, they are generally the medium of communication between the European and the natives of the Archipelago.

3509. Is that trade carried on by them for cash, or by bills?—Occasionally both; they frequently sell for cash; and very often they barter for produce, which they sell again to European merchants.

3510. In what description of vessels is the trade carried on between Batavia and China?—There is a trade in junks; and there is also a trade in vessels of different nations; particularly Americans.

3511. Confining yourself to the junks, will you state what description of vessels, and of what size?—In consequence of the vexatious forms in the customs at Batavia the trade in junks fell off; and I think in 1825 there were only four junks, the trade being confined to Batavia, amounting to 440 lasts, or 880 tons; since that there has been a modification of the custom-house regulations; the forms have been rendered more easy to them, and the eastern ports of Java have been opened, and now the trade is considerably increased. I think the last that I heard of the junks was, that seven or eight had arrived in Java; certainly that number, if not more.

3512. Of what tonnage are those junks chiefly?—Their tonnage varies; I do not think that any of them exceed 400 tons, as far as I could judge or learn from the Chinese themselves.

3513. What is the general average?—The general average may be about 300 tons.

3514. Can you state what has been the amount of the exports from Java to China?—The exports from Java to China in 1825, which was one of the worst years of the trade, but the only year I have an accurate account of, exceeded about 2,700,000 guilders, or 225,000 *l.*; that was the year in which the port of Batavia only was opened.

3515. Of what produce did that consist?—There were about 54,000 *l.* in specie, 40,000 *l.* worth of birds nests, 4,250 *l.* of Netherlands woollens, and the remainder consisted of a variety of articles, such as pepper, betel-nut, rattans, tripang, &c.

3516. What is tripang?—It is a sea-slug that is fished in the Eastern Archipelago. It was formerly only found in the Eastern Archipelago, principally about the Gulph of Carpentaria; the amount of it was about 14,000 peculs, which was sent to China, value about 120,000 *l.* It has been lately found to abound on the coast of Ceylon, and in the Mauritius, and is likely to become an important article in the trade with China.

3517. Was there any opium forming part of that trade?—There was; but not to any considerable extent, and principally Turkey opium.

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3518. What were the imports at that time into Batavia from China?—They amounted to about 75,000 *l.* The imports were principally by the junks. The exports were by all vessels.

3519. Of what did the imports consist?—A variety of articles suited to the Chinese settlers, of which about 7,800 was in teas.

3520. Can you state the number of square-rigged vessels which sailed from Batavia, or touched there in their way to China in that same year?—In 1825, the number of square-rigged vessels which touched at Batavia in their way to China was 16.

3521. From what countries?—Three were Dutch, four English, one Portuguese, and eight Americans.

3522. Have you had occasion to consider how far the Eastern Archipelago might become a channel through which teas could be sent to Europe?—I have.

3523. On what occasion, and under what circumstances did you turn your attention to that subject?—In the beginning of 1822, when there was a talk of the stoppage of the trade, I thought it advisable to consult the agents of the junks as to the practicability of their bringing teas suited to the European market to Batavia; they assured me that if any interruption of the European trade occurred, they thought they could bring a very considerable quantity next year.

3524. Was this communication with persons upon whose truth and fidelity you had reason to rely?—They were the supercargoes and agents of junks; men who conduct the whole of the trade in the junks.

3525. Were they persons with whom you had other commercial transactions that enabled you to rely upon the statements they made?—Yes; and the communication was made to them through these merchants, with whom I had had extensive dealings.

3526. Did the communications so far impress themselves upon your mind, as that if the event had occurred of the stoppage of the direct China trade, you would have given orders, and relied on the execution of those orders for supplies of tea in the way suggested?—I did not entertain the least doubt that the Chinese with whom I proposed the arrangement would have bought all the teas they could have procured on their return from China the next season, and that they would have brought me particular accounts how far they could have continued that trade, which they seemed to be pretty confident they could do to a considerable extent.

3527. Should you apprehend that a trade so carried on would have exposed merchants like yourself engaging in it to any fraud in the quality of the goods supplied?—I had some apprehension of that, and I mentioned it to those Chinese; but they assured me I need be under no apprehension, for that they dealt with respectable men, who always attached their chop or name to the packages, and that they had never been deceived. They reminded me of a circumstance that was perfectly well known to myself, which was of the tobacco of the Cadoo, which is a province in the centre of Java, which passes throughout the whole of the Archipelago, bearing the name of the cultivator, and according to his reputation it bears a price without even being examined. I had dealt largely in this article, and I knew that this was the case; and of course I could only assent to that observation.

3528. Are the Committee to understand that there is a class of cultivators in Java, being Chinese, who who deal in tobacco in the way you have described?—They are Chinese cultivators, whose names are a guarantee for the quality of the tobacco they sell.

3529. During your residence at Batavia have you had any evidence of disadvantages to which British ships have been subject in consequence of their exclusion from the ports of China?—I have had many. I have often, myself, in shipping goods to China, been obliged either to get freight on foreign vessels, or to hire Dutch colonial vessels to proceed to the Straits of Sunda, to meet the Company's ships, for the purpose of either disposing of the produce I had for the China market, or of sending it on freight to China.

3530. Have you known any arrivals at Batavia from New South Wales in quest of freight?—Many; there are generally every year a considerable number of ships come from New South Wales in quest of freight.

3531. Has the state of the law put you under the necessity of shipping consignments of produce in foreign vessels?—I have shipped in foreign vessels for China, because I could not avail myself of the unemployed British tonnage which was lying in the harbour to proceed to China, and which would have gladly done so.

3532. What produce have you shipped to China?—I have shipped tin in large quantities, and spices, and various other articles.

3533. Have you known other British merchants compelled to have recourse to the same arrangement?—All my countrymen in Batavia settled as merchants were occasionally reduced to the same predicament, and I know that throughout the Archipelago it is the same.

3534. Do you recollect the circumstances of the scarcity which occurred in the year 1824?—I do.

3535. Were there any opportunities at that time afforded that would have admitted of the profitable employment of British shipping?—I perfectly recollect that when the news of the scarcity in China first arrived in Batavia, and of the edict admitting vessels with cargoes of grain free of port-charges, there were some English ships in the roads, and some expected, that would have been despatched with rice to China, but of course they could not be availed of in consequence of their not being allowed to go to China.

3536. Do foreign ship call at Batavia on their way to China?—They do; particularly Americans, and avail themselves of all the chances of markets in their way.

3537. In what respects do they avail themselves of the chances of markets?—They get recent accounts from China of the state of the markets, and they there either dispose of their outward investments, or lay in such products of the Archipelago as are suited to the China market.

3538. From your intercourse during so many years with the Chinese can you state to the Committee whether they are indifferent to foreign trade, or attach any importance to its advantages?—The Chinese of the Archipelago, who I believe do not differ from the Chinese in their native country, are very sensible of the importance of commerce, and are, as I have already observed, the keenest speculators perhaps in the country.

3539. Are you aware whether the foreign commerce of China becomes a source of revenue to the Chinese government, and a matter of interest to the Chinese authorities?—The foreign commerce of China is very extensive; it exceeds, I believe, considerably 12,000,000 sterling, and of course, although not altogether a legal commerce, still from the greater part of it being so, the Chinese government derive a revenue, and a very considerable one, as I understand, from it.

3540. Have you reason to know in what light the European imports into China are considered by the Chinese people, or whether they could easily be dispensed with by them?—I know that the imports to China are of far more importance to that empire than perhaps the tea is to this country, great as it is considered, inasmuch as the opium, which is now a very extensive article of import into China, is generally used there; and when once a person has been accustomed to the use of it, it cannot easily be dispensed with without danger to his health, and perhaps his life.

3541. Do you state that from your experience of the habits and customs of the Chinese people at Batavia and in the Archipelago?—I do. I had a great deal to do in the opium trade at Java, and of course saw a great deal of the use it was put to; and from my own observation of its effects I can state that those who have been long in the habit of using it could not have dispensed with the use of it without serious injury to their health.

3542. Are you aware whether the use of opium is increasing?—It has increased very rapidly indeed in China. I saw a statement of the imports into China down to the beginning of 1829, which stated it to amount to nearly two millions of pounds weight, considerably exceeding two millions and a half sterling in value.

3543. Are the other articles imported into China articles of which the inhabitants could not be deprived without a considerable degree of inconvenience?—We may very easily judge of some of them. We ourselves could not well dispense with the spices, which are used in China as generally as in any other country. Some of them are articles of luxury, such as birds nests, which are imported to a very considerable amount in China; also tripang, and sinews of different animals, are of course not perhaps indispensable, but as much so as the tea is to us from habit, among the grandees of the country; and again, the betel-nut, which is used very extensively in China, is also an article indispensable to the lower orders in particular.

3544. From your experience of Java, and your knowledge of the increased consumption that took place in that island by the opening of the trade, what do you

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consider would be the effect of opening of the trade to China itself, so far as relates to the consumption of European produce and manufactures?—The enterprize of British subjects in Java was very much aided indeed by the activity of the Chinese in conforming our manufactures to the tastes and habits of the people, and from the very rapid extension of the use of those manufactures almost entirely superseding the native manufactures. I have not the least doubt but the same change would take place in China, making allowances of course for the difficulties that are attendant upon having only one legal port.

3545. At the time of the occupation of Java in 1811, in what manufactured articles were the inhabitants, Chinese and natives, clothed?—The natives were clothed in manufactures of their own, partly, and partly in the manufactures of British India; the Chinese principally in Chinese manufactures.

3546. How long did this state of things continue?—It began to change at the opening of the trade in 1814; and in 1828, when I left Java, the natives were almost exclusively clothed in British manufactures, and the Chinese very generally; still, of course, they used some Chinese manufactures, which we have not yet been able to imitate successfully.

3547. Are there any particular European manufactures which were prepared and adapted for Chinese consumption?—I myself took great pains in ascertaining the tastes, not only of the natives of Java, but of the Chinese, and was very greatly aided by the Chinese in obtaining the necessary patterns and forms, which I brought home to this country, and carried out a very extensive consignment conformable to those patterns; which plan was followed afterwards by the other British merchants, and succeeded most eminently.

3548. Of what description were those articles?—With regard to broad cloths, the particular object was to get colours suited to the people; they were principally cottons; woollens to some extent, but the cottons were the greatest quantity.

3549. How did the British imitation stand in quality and price, as compared with the articles which you imitated?—The best proof of how they stood in quality and price, as compared with the articles imitated, was the almost entire suppression of the native manufactures.

3550. Are the committee to understand that there was a substitution of British manufactures for the native manufactures at that place?—There was.

3551. In 1826, had the British manufactures so far displaced the Oriental manufactures as to give a sufficient supply of clothing to the people?—Most unquestionably the people, as I have already stated, are now almost entirely clothed in British manufactures; but not only were the native fabrics of Java almost entirely superseded, but all the finer fabrics of Bengal were at last unsaleable in the market of Java, and the trade with British India reduced to a comparative trifle as regarded manufactures.

3552. What is the amount of the population of Java, in which this increased consumption of British manufacture took place by the influence of free trade?—It is computed at about 5,000,000.

3553. What is your idea of the population of the empire of China?—From the statement I have seen, the population of the Chinese empire is computed somewhere between 140,000,000 and 150,000,000.

3554. Do you consider that there are other articles besides those which are at present imported into China, which might, under the operation of a free trade, find a profitable sale there?—Judging from what has taken place in Java, where the Chinese do not differ from those in their native country, I should conceive there are many articles of sale which might be extended.

3555. Can you state to the Committee any instance of the discovery of a new article, or the extension of production of an old one, that has added to the value of the imports into China?—I can state one, perhaps not of great importance, but it would show that there are many others with respect to which the same thing might be done. The large glasses or rummers which are used in their houses for burning a light before their gods, opposite their front door; I noticed them on one occasion as being made of imperfect China-glass; I asked the Chinese if they would have any objection to British manufacture if the same patterns were preserved, and they gave me patterns of them, which I brought home, and had manufactured at Birmingham. I took them out, and had them sold for a considerable price, and they have since continued to be supplied from different places to a great extent.

3556. You have stated the increased consumption of tripang, has that been an article of late introduction as an import from the Archipelago into China?—Not from

from the Archipelago; but it has been recently discovered to abound on the coasts of Ceylon and the Mauritius, and is likely to become an article of considerable trade.

3557. Have you yourself dealt in the article?—I have in the article prepared in the Archipelago; but a year or two before I came home I had a consignment from Ceylon, from a house there, for the purpose of ascertaining its value in the China market, to sell it in short for the China market; it was damaged on the voyage, but some of it had escaped, and I had an opportunity of ascertaining its quality and value, and I found that in consequence of the imperfect way in which it was prepared at Ceylon, that it was inferior generally to the tripang of the Archipelago, and classed with the lower qualities.

3558. Is there a considerable demand for it in China?—Very extensive demand; the supply has never yet equalled the demand.

3559. Are you aware what the total quantity imported into China in value has been in any one year?—I have already stated it at about 14,000 peculs. I do not know the amount now, because I do not know the extent to which it is sent from Ceylon and the Mauritius, the value of that is about 120,000 *l.*

3560. Is the article called tripang the same as beche de mer?—It is.

3561. Supposing that any political or commercial transactions should lead to a prohibition of the direct intercourse between the European powers and the empire of China itself, do you conceive that the Chinese trade, both in exports and imports, might be carried on through the Eastern Archipelago?—I cannot conceive that the Chinese can stop their trade, for the reasons already stated; but that if they did, I certainly think that it might be carried on in that way, perhaps with some difficulty at first, but it would at last, I am of opinion, be carried on as regularly as it is now, in spite of all prohibition by that government.

3562. Have the Chinese at Batavia evinced any jealousy or indisposition to the consumption of our manufactures, or to trading with us?—Not the least.

3563. You have stated that some of the Chinese settlers in the island of Java are agriculturists?—They are.

3564. Do they acquire property in land there?—They do not; they rent land. In the towns they acquire of course property in their houses; but in the country they are generally farmers of the land. In the district of Batavia they do acquire land where Europeans are allowed to hold land, but not in the native provinces.

3565. From your acquaintance with the Chinese, and other parts of the East, is your opinion with respect to the Chinese population generally the same as that which you have now stated with reference to the Chinese inhabitants of Batavia?—I was settled in Penang for three years, and I had charge of the pepper plantations of the late Mr. Scott there, which were entirely cultivated by Chinese, and I found no difference in their habits and manners in Penang from what I did in Java, or in Sincapore, or in any other countries through which I travelled.

3566. You have stated that you had doubts whether they would furnish good tea to the extent of the tea required for the European consumption, and the only satisfaction you had was from what the Chinese told you?—Of course, I could have no other means of obtaining information upon the subject.

3567. With respect to our manufactures being used as you say in great quantities in the Archipelago, do not you know that that was owing to the great fall that took place in the price of cotton goods?—Of course I am sensible of that; if our goods were not cheaper and better than their own fabrics, they would never have given them the preference.

3568. Has not that had the same effect in India to supersede the native fabrics very much?—I believe the effect is similar every where. In India, of course, it has had the same effect.

3569. Have you examined the cloths of the two countries, the Chinese and the English, with respect to durability?—I have. I have dealt in them both.

3570. Do you think that the British are preferable in that respect?—The Chinese are more durable, because they can afford to put a greater quantity of the raw material into the cloths; but the British cloths are generally a finer looking fabric, and please them much better. The natives, I believe, if they can get them cheap, are not very particular with regard to the durability.

3571. If tea was supplied to Europe through the Archipelago, must it not be supplied at a higher price than it could be supplied direct from Canton?—No; the

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Chinese tell me that in consequence of lower duties by their vessels, they thought they could supply it cheaper.

3572. Must not there be a trans-shipment?—If they brought the black teas from the province in which they are grown to Batavia, I think they would not be much dearer than they are at Canton.

3573. Do not you know that they cannot bring them from the province in which they are grown?—I know that they cannot legally bring them, but I know that they do bring them.

3574. From what parts of China?—From both parts, but particularly from Fokien, from Amoy.

3575. Did you ever examine the qualities of teas sold in Canton, and those which are sold in the Archipelago?—Yes, I have.

3576. Do not you know that the black tea which is purchased by the Company at Canton is of the best quality of black tea, and better than any other that can be procured?—I am not aware of that. I know that the Company do purchase the best teas, but I am not aware that they are better than any other purchased in the market.

3577. Have you not heard that they have a right of pre-emption, at least that they have the offer of all the black tea at Canton?—I am aware that they have a preference; but I think there are many chops of good teas that the Company do not get at last, so I have understood; the only pre-emption that the Company have is the making contracts the season before, as far as I understand, which gives them the choice of a great quantity of tea.

3578. Is not that preference given solely by the Hong merchants; are you aware whether the outside merchants give the Company preference?—No; the Company have a selection from a certain quantity of teas, as far as I have understood, but not from the whole of the black teas.

3579. Have you been at Canton yourself?—I have; I was twice there, but it is a long while ago; and except in so far as my observation has enabled me to compare the manners and habits of the people in China with those of the settlers in the Archipelago, of course I would wish to speak with diffidence upon that subject.

3580. So far as your observations have gone, have your observations upon your own visits at Canton been confirmed by what you have seen and heard of the Chinese in the Archipelago?—I was young at the time I was at Canton; but so far as my observations went, I have seen very little difference between the manners and habits of the people in their native country and those settled in the Archipelago.

3581. How long were you each time at Canton?—I cannot state exactly the time, but I think it was between two and three months each time.

3582. In what year?—In 1806-7 and 1807-8.

3583. Can you state what are the duties upon tea, and upon other goods in China, exported in native vessels, as compared with the duties on the same goods exported in foreign vessels?—I believe the proportion is about one third.

3584. Do you believe that tea could be supplied for consumption in this country at two thirds the price it now bears, if the Company's monopoly no longer existed?—Judging from the price in other countries, I should think certainly it might for less, and particularly if we pay for it in our manufactures by a free trade.

3585. In what degree would the expense of transmitting merchandise to and from Canton become increased, if trans-shipment at Sincapore were had recourse to?—I have no means of stating the expense accurately, because the freights will depend entirely upon the quantity of shipping that is to be had at the time; if the port of Canton was free to British shipping, I think the expense would be considerably less than the freight that the Company pay direct to Great Britain upon it.

3586. Is there any other intermediate port more direct for trans-shipment than Sincapore, and at what difference of charge?—Sincapore is as well suited as any other port, but there are ports in Java, viz. Batavia and Angier, where there are entrepôts established, and where the same trade might be conducted, and I do not think the charge would differ very materially.

3587. If the Chinese government interdicts the transit of teas to Sincapore, what would be the expense of breaking through that interdiction?—There would be no additional expense or obstruction to what there is now, because it is illicit now.

3588. Does it go clear of charge, notwithstanding the interdiction, now?—It goes with the usual charges which Chinese vessels pay.

3589. Could

3589. Could not the tea only be brought from China to Java by Smuggling?—Yes.

3590. You have said that you think tea could be furnished to this country at less than two thirds of the present price, and you said you formed that opinion from the price of tea elsewhere; where did you mean?—I mean on the Continent of Europe and in America.

3591 Is the tea on the Continent of Europe of the same quality as the tea that is sold by the Company here?—I have always understood so. I have drunk tea on the Continent, and I have drunk tea in this country; I am no great judge; but I could not perceive there was any difference in the quality.

3592. If any witness has said that it is of inferior quality would you say that he is mistaken?—No; inferior tea is sometimes carried to the Continent, because there the trade is free; but here, the trade being all in the hands of the Company, the quality is more equal; but there have been old teas bought in the Archipelago, taken there; and old teas are always inferior to new.

3593. Is the tea taken to the Continent old tea?—Some of it; but I believe not a great proportion, indeed very little.

3594. It has been stated, that the tea with which the Continent is supplied is generally an inferior description as compared with the tea used here; is that consistent with your knowledge?—I have understood to the contrary; not that it is better, but that it is not generally inferior.

3595. If you, as a merchant, with a freedom of trade, were exporting teas to two countries, the one a rich country and the other a poor country, would you, or would you not, adopt the quality of the teas to the market with which you were dealing?—Most unquestionably.

3596. You stated that there were at one time four English ships that touched at Batavia on their way to China, what were those English ships?—Country ships from India.

3597. Was the tea which was brought to Batavia from China brought from the provinces where the tea is grown, or from Canton?—From Fokien, where the black tea is grown.

3598. Did you ever purchase good tea in the junks at Batavia?—The description of tea brought by the Chinese junks is what we consider an inferior quality, suited to the taste of the Chinese settlers and the natives; but I have purchased very excellent green tea and Pekoe; but they import a very small quantity of that description.

3599. Was the green tea which you so purchased brought from the province where the green tea is grown?—That was brought from Canton.

3600. Is there any intercourse between Batavia and the province of Kiangnan?—I am not aware of that.

3601. Are you aware that green tea is grown in the province of Kiangnan?—Yes, it is grown in the southern province.

3602. And that that province is a maritime province?—I am not perfectly aware of the situation of it.

3603. You have stated that the English manufactures have superseded the manufactures of Java, and of China, in a great measure; can you state whether there is any Chinese manufacture which at all resembles the English woollens?—I have seen a kind of flannel that they make, but I have not seen much of it, nor am I aware of its exact quality.

3604. Is it made of sheeps wool?—It appears to be wool, or a mixture of wool and cotton.

3605. What is the latitude of Batavia?—Six south.

3606. Is it a fact that woollens are at a certain time of the year in request in that latitude?—Woollens are in general request in that latitude, and very generally worn by all the classes that can afford them, both natives and Chinese.

3607. At what time of the year do they use them?—Throughout the year they require them, but more particularly in the rainy season, when there is a general moisture.

3608. Do you know whether there is a considerable import of furs into China?—I have understood so, but I am not acquainted with that trade.

3609. Can you give the Committee any information with respect to the trade with Japan?—The Dutch are allowed to trade with Japan, and they are only allowed to send two ships. The trade was conducted until two years ago by the Dutch government of Java. I have here a list of the cargoes in the year 1825, both

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both the imports and exports. Since that it has got into the hands of the Dutch East India Company, and they have very considerably extended it, I believe.

3610. Will you state the principal items of the trade?—In the Japan trade in 1825 there were two ships, amounting in all to about 1,300 tons; one was 600, and the other was 700 tons. The export cargoes consisted of 100 ps. sandal-wood; 1,167 ps. Japan wood; 500 buffalo hides; 1,638 lbs. ivory, valued at 3,247 f.; 61 lbs. camphor Baros, or Malay camphor, valued at 3,234 f.; 225 Java matts; 24 ps. cocoa-nut oil; 113 ps. cloves, value 18,936 f.; 6,991 ps. sugar, value 104,968 f.; 338 ps. tin, 18,936 f.; Bengal piece-goods to the value of 20,896 f.; hardware and porcelain, 2,250 f.; jewellery, 1,100 f.; glass ware, 3,748 f.; Netherlands broad cloths, 75,209 f.; lead, 147 ps., 2,793 f.; Netherlands cotton goods, 61,332 f.; medicine and sundries; making the total value of the export cargoes 373,853 f., or at 12 *s.* ps. 31,154 *l.* 8 *s.* 4 *d.* The import cargoes consisted of, viz. 720 ps. camphor, 69,120 f.; 10,745 ps. copper, 617,862 f.; 426 ps. crape, 17,748 f.; cotton cloth, 13,978 f.; medicine, 2,270 f.; provisions, 3,327 f.; sakkie and soy, 14,332 f.; wheat, 207 bags, 2,156 f.; silks, 31,600 f.; sundries, 96,089 f.; making in all, Dutch florins, 868,482=72,373 *l.* 10 *s.*

3611. Are the Dutch the only European nation now allowed to trade with Japan?—They are.

3612. Do any other European nations trade at all with them?—I am not aware that any European nation trades with them. I saw a captain of a ship from Bengal who got upon that coast, and the boats came off to him in great numbers, and purchased every kind of article they had of British manufactures; they had very little, unfortunately, but they sold all that they had in barter for provisions, which they were out of. The officers of the government also came on board and ordered him off, but at the same time asked him if he had cloth such as his coat was made of, and any articles of that kind; that they were anxious to purchase them. He said he had not, and when he came back they told him to be sure to bring articles of that kind, but on no account was he to come back.

3613. To what port is it that the Dutch are confined in Japan?—Nanga Sakkie; they have a factory there.

3614. Do they remain constantly at the factory at that port?—They do.

3615. Do you happen to know the population of the town?—I do not.

3616. Do you know how the Dutch Factory conduct their business there?—The Japanese dismantle the ships when they arrive; they receive the cargo into a store, where it is valued, and they give them a return-cargo, valuing it in the same way.

3617. Are there any Japanese junks that trade at all with the Eastern Archipelago?—I am not aware of any.

3618. Have they no foreign trade of that description?—I believe not; the Chinese trade with Japan, but I am not aware that Japan junks go to China.

3619. Do you know the number of the Chinese junks that go to Japan?—I cannot be sure of the extent, but I believe it is considerable.

3620. Is it the general impression in the Eastern Archipelago, that provided a change were to take place in the mode of transacting business with Japan, a very considerable trade might be carried on with that empire?—It would be an illicit trade, but our enterprizing countrymen generally manage to conduct a trade with every part of the world which they can get to.

3621. Should not you expect that if the free trader were admitted to China he would find the means of carrying on trade with the empire of Japan?—I have no doubt they would, but if they did not, the Chinese would find the means of conveying to Japan such articles as they found would suit them, whether Chinese or European manufactures

3622. Was not that trade carried on by the British Government of Java when that island was in our possession?—It was.

3623. Under what flag?—Under the Dutch flag.

3624. Do you conceive that the trade between Java and Japan is an increasing trade?—In the hands of the government it was as little as it well could be; the Dutch company have improved upon it considerably, being rather better traders than the government, but it is nothing to what it would be if a free trade was permitted there.

3625. Do you understand that the Japanese would have any objection to extend the trade with the Dutch government, provided the Dutch government wished?—No; I understand that the Japanese government positively restrict the trade to two ships;

ships; they do not limit the size of those ships, but they will allow no more than two.

3626. How was the trade carried on during that period when we were at war with Holland?—We sent vessels there, and they were received as Dutch ships; the Japanese were aware that they were English, but they could not acknowledge them under any other flag than the Dutch.

3627. You are aware that the trade between China and Europe is confined to Canton, do you consider that as a proof of an anti-commercial spirit in the Chinese government, or to what cause do you ascribe that restriction?—I should rather suppose it to be political; it would be as unfair to the Chinese to conclude that that was a proof of an anti-commercial spirit as it would be to conclude that we had an anti-commercial spirit in Great Britain, because before 1814 the whole trade of India and China was confined to the port of London.

3628. Are there any discriminating duties upon British goods imported into Java as compared with those imports from the Netherlands?—Yes; Netherland goods imported with a certificate of origin are duty-free, while British goods direct from Great Britain, that is to say, woollens and cotton manufactures, pay 25 per cent *ad valorem*; coming by way of British India they pay 35 per cent *ad valorem.*

3629. What price per cent upon the prime cost of tea at Canton would you consider sufficient to remunerate the importer?—It would depend upon whether the trade was free. I should think, if they paid in British manufactures, it is probable they would sell at a profit; and, like the trade in all other parts, be glad to realize that profit upon the returns in tea.

3630. Is it then your opinion, that if the merchants had a profit on the outward cargo they would bring home tea for nothing?—That if they could make a remittance at par of the profits made in the cargo out they would be contented.

3631. As the trade now is, do you consider the loss of not having a remittance to Europe to be almost equal to the profit on the outward investment?—There would be great difficulty in obtaining a remittance at present, unless the returns were allowed to be made in teas or other Chinese products.

3632. Supposing the trade in tea to be perfectly free, in that case do you suppose there would be a difficulty in obtaining a remittance in return for whatever British manufactures might be exported?—If the trade were free, I conceive there would be returns for more than the manufactures that could be sold in China for some years, because, of course, the introduction must be gradual.

3633. Have you heard any thing of the American trade from America to Canton?—I have.

3634. Is not the most favourable mode of trading with China by sending bullion, without any goods?—They have sent bullion in general until latterly, when, I believe, they have come to this country, and exported both cotton and woollen manufactures, which they have found profitable.

3635. Have you not heard that the trade is considered to be most beneficially carried on between America and Canton, in sending bullion and bringing home tea?—I believe they had no option; they had nothing but bullion to take to China.

3636. How many ships have the Dutch sent to Japan lately?—Two: they have never been allowed to send more, and they do not send less.

3637. Are they not subject to great indignities there, when they get to Japan?—I have understood so; so far as being confined to one port; having their ships dismantled, and their cargoes valued, and an export cargo given them, such as the Japanese choose to set apart for them; but I understand it is generally done upon pretty fair principles.

3638. Are not the Europeans in China confined to one port at Canton?—They are.

3639. Do you understand that any greater indignity is offered to the Dutch ships in Japan?—Except the dismantling of their ships I do not know of any other.

3640. Was not that the practice with respect to the China trade, by taking away the rudders, up to a period comparatively recent?—I have heard so; but I cannot say up to what period it was continued.

3641. Does not the advantage of exporting bullion into China depend upon the value of the bullion in the country from whence it is exported?—Of course it must.

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3642. Were there any ships sent to Japan during your residence in Java?—There were two ships every year during the whole time of my residence there.

3643. Have not the Americans, since they carried out British manufactures to Canton, carried out fewer dollars?—They certainly have; they carry out no more, including both, than is sufficient to purchase their cargoes home.

3644. Do you apprehend that the trade, if free, could be carried on by British manufactures alone to Canton?—In time I have no doubt it would, because we should imitate the manufacture of their favourite fabrics, and greatly extend the consumption of our manufactures; but it would take time.

3645. Then you do not consider that in a short time the trade would be any drain of bullion from this country?—It would be no more a drain of bullion than it is at present, I conceive. It is the different British merchants at present trading from India to China who afford to the Company the means of purchasing tea in place of the bullion they formerly carried out; and those same funds would be at the disposal of respectable British merchants for the same purpose.

3646. Have you been much in British India?—I have been there, but never resided there for any time.

3647. In what parts of India have you been?—I was at Bombay a long while ago, but I have been two or three times to Bengal, and I have been once at Madras.

3648. You are aware that at present it is not permitted to any foreign vessels to go into any port of China, excepting Canton; but supposing there was an entrepôt for European manufactures, including British, in any port of the Indiau Archipelago, might not they be imported from that entrepôt into any other port of China in Chinese junks?—Although the trade to China, even with foreign vessels, is confined to the port of Canton, I have understood that within the last two or three years country ships have been in the habit of proceeding to the northern ports, and have sold considerable quantities of opium along the coast, and have brought back dollars; and I have no doubt, if there was an entrepôt in the Archipelago for British manufactures, that not only British ships but native junks would carry considerable quantities to the ports of China.

3649. Have you seen many of the Chinese junks in the Eastern Archipelago?—I have.

3650. What is your opinion as to their safety at sea?—During the whole time of my residence in the Archipelago I do not recollect to have heard of the loss of any but one; they generally leave China in the favourable monsoon before the wind, and go back in the same way; they are scarcely ever lost, and it is seldom that any accidents happen.

3651. To how many years do you apply the observation you made, that there was only one lost?—My experience extends to 20 years.

3652. Were you in such a situation in Batavia and other parts, that if more than one junk had been lost coming to Batavia, you would have known it?—I think it is likely that I should have known it; we generally get pretty correct reports of the losses.

3653. Have you ever been on board the junks at Batavia?—Frequently.

3654. Have you ever done any business with them in buying or selling?—I have.

3655. Supposing a trade in European manufactures, including British manufactures, to be carried on between the Indian Archipelago and the northern ports of China, would not tea be imported from the provinces of Fokien and Kiangnan into the Indian Archipelago?—They are at present imported into the Indian Archipelago. If they became in demand in the European market I have no doubt that they would be exten as I have already stated.

3656. Without then being obliged to go to Canton?—Yes.

3657. So that in that case the teas would be exported from those provinces of China in which they are produced without the expense of the transport from those provinces to Canton?—Yes.

3658. Are you aware whether tea finds its way for consumption from China to Cochin China and Siam, or the Phillippines and other parts of the Indian Archipelago?—Yes, it does. I understand that the tea from China finds its way to Siam, Cochin China, and the Phillippine islands and even to Japan. Some of that brought by Cochin China came to Sincapore, and from Sincapore found its way to Batavia.

3659. How was it brought?—In junks to Sincapore.

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Mr. *John Argyle Maxwell,* called in; and Examined.

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3660. HAVE you ever visited China, Java, and Sincapore?—I have.
3661. Have you resided at the latter?—I have.
3662. In what capacity?—As a commission-agent and merchant.
3663. How long did you reside at Sincapore?—Better than six years.
3664. Have you been in Canton?—I have.
3665. In what year did you go to Sincapore?—I went to Sincapore first in 1822, and I remained there till 1828.
3666. In what year were you in Canton?—I was first in Canton in 1826, and again in the end of 1828.
3667. How long did you remain each time?—The first time for about six weeks, and the last time about three months.
3668. Did the nature of your commercial transactions in Sincapore bring you into much intercourse with the Chinese, or with China?—It did.
3669. What was the nature of your intercourse?—I generally had a discretionary power from my constituents to send any of their property to a neighbouring market that might promise better than Sincapore, and in exercising that discretion I have often had transactions with Canton.
3670. Were your constituents resident in England?—I had constituents in Germany also.
3671. Were your consignments from Germany to any considerable amount?—In 1826 I had one consignment to the value I think of about 12,000 *l.* from Hamburgh; and in 1827 I had another consignment to the value of about 30,000 *l.* from Hamburgh also.
3672. Can you state what the cargoes of those ships consisted of?—They were general cargoes, but the greater proportion of them woollens.
3673. What description of woollens?—The larger proportion of the description termed ladies cloths. I had one lot of the value of about 5,000 *l.* shipped by the Royal Prussian Society of Stettin, and stated to me to be of the same description of cloth which was taken by the Russians for the Keachta market.
3674. Did you send those woollens to China?—I made some sales of them at Sincapore, and sent the rest on to China according to my instructions.
3675. In Sincapore did you sell them to the Chinese junks?—I sold a part of them, to the value of about 1,000 *l.* at Sincapore.
3676. Are the ladies cloths of a finer description?—They are of a finer description; what is usually termed light woollens.
3677. What was that sent by the Royal Society of Stettin?—An intermediate kind of cloth, rather heavy.
3678. Can you state the proportion of the value in those cloths as compared with the English cloths sent to the China market, as to the quality of cloths of the same price?—I should think the English cloths at the same price were better in quality, and certainly better in colour.
3679. How did the portion of the consignments sent to China answer in that market?—Not very well; the cloths were suitable enough, but the breadths were deficient, and the colours were badly selected.
3680. Had you any English woollens under your charge?—Frequently.
3681. Do you conceive them better adapted to the market than the German woollens?—I think that the English cloth generally is a superior article at the same price.
3682. Did you ever send any English woollens from S apore to Canton?—I once sent some English woollens of the description termed long ells.
3683. How did you send them?—I sent them under the American flag.
3684. How did that consignment turn out?—Sales were made of them at better prices than I could have got at Sincapore.
3685. Did it realize a fair profit or not?—Judging from the invoice I had with them, there was no profit at all; the manufacturers usually send invoices at very advanced prices.
3686. In what year was it you sent the English woollens?—In 1824.
3687. Have you any means of knowing whether that consignment returned a profit to the original exporter, or not?—The original exporter seemed satisfied with the sale I had made.

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3688. Did you invest any portion of the proceeds in teas on account of your German constituents?—I did in 1826; I think I invested to the amount of nearly 2,000 *l.* in teas.

3689. Was this a barter transaction?—I found it necessary to barter them for teas, otherwise I should have felt a difficulty in effecting a sale at all at that time.

3690. At that particular time was the market glutted with goods?—It was very much glutted at that particular time.

3691. Is it, however, the usual state of the Chinese market to be very much glutted with goods?—I cannot give any information upon that subject.

3692. With whom was this transaction conducted?—With one of the Hong merchants, Poonequa.

3693. How was it managed; was there a supercargo there, or an agent at Canton?—I was at Canton myself, and employed an agent besides.

3694. Have you ever consigned goods to an agent at Canton while you were resident at Sincapore?—The English woollens that I allude to were consigned to an agent at Canton, and these sent in 1828.

3695. To whom were they consigned?—They were consigned in 1826 to a Spanish house, Messrs. Gusani & Co.; one of the partners was an Englishman residing at Canton under the protection of the Spanish flag. They held the Spanish consulate.

3696. What is his name?—Mr. Matheson.

3697. Is he there now?—He is.

3698. Can you state the particulars of the assortment of tea you made in 1826 for the Hamburgh market?—200 ¼ chests of Bohea, at 14 tales per pecul; 500 ¼ chests Congo, at 25 tales per pecul; Campoy, 50 ¼ chests, at 24 tales; 50 ¼ chests Souchong, at 24 tales; 50 ⅛ chests Souchong, 24 tales; 50 1/16 chests Souchong, at 25 tales; 50 ¼ chests of Pecco, at 90 tales; 50 ⅛ chests of Pecco, at 90 tales; 500 ¼ chests of Hyson-skin, at 24 tales; 100 ⅛ chests of Hyson-skin, at 25 tales; Young Hyson 50 ¼ chests, at 40 tales; 25 ⅛ chests of Young Hyson, at 40 tales; Hyson, 100 ¼ chests, at 60 tales; 25 ⅛ chests, at 60 tales; 50 1/16 chests, at 60 tales; 10 ¼ chests Imperial, at 54 tales; 10 ⅛ chests, at 54 tales; 20 1/16 chests, at 54 tales; 10 ¼ chests Gunpowder, at 60 tales; 10 ⅛ chests, at 60 tales; 10 1/16 chests, at 60 tales. I wish to explain, with reference to the prices I have mentioned, that I have no means of referring to to the invoice of the teas; and in stating these prices I have stated the highest limit that I authorized to be given for the teas. I presume they were got under those limits; and I rather think the quantity of each kind might have been different from what I have mentioned.

3699. How many pounds of black tea are contained in a quarter-chest?—About 67 pounds.

3700. Do you happen to know whether there is the same contained in those quarter-chests as would be contained in the quarter-chests imported by the East India Company?—I have no access to know what the chests imported by the East India Company contained.

3701. Can you tell whether the quality of the teas afforded satisfaction to your employers?—I have every reason to think that the quality did afford satisfaction; the prices were considered very high by a respectable house, to whom the better portion was sent; but the quality was not complained of in any way.

3702. Have you reason to think that the price was higher than the market-price in China at the time?—Having taken them on barter for an article so unsaleable as the cloths were, at the time the prices were a shade higher, but probably not much.

3703. Had there not been a fall in the price of teas in Europe at the time they arrived?—There was a fall of 20 to 30 per cent intermediately.

3704. At what time did the fall take place?—My letter from Hamburgh, of the 30th of October 1826, advises a fall of from 20 to 30 per cent.

3705. When did the ship arrive in Hamburgh?—The ship left Sincapore the May following; the teas came down in January 1827, and the ship arrived for them in May 1827. It arrived in the course of the season at Hamburgh.

3706. Supposing that fall not to have taken place in the European market, do you conceive that the result of the investment would have been profitable, or otherwise?—My attention was strongly called to teas by the house alluded to, from which

which I suppose they considered it a more advantageous remittance than any other. The assortment was according to what they advised as suitable.

3707. What was the name of the house?—The house of Merk and Company, of Hamburgh.

3708. Was the transaction, in point of fact, advantageous, or otherwise?—I am not aware whether there was any communication made to me by that house as to the actual result.

3709. What commission were you in the habit of charging?—Five per cent on sales, two and a half per cent on remittances in produce, one per cent for remittances in bills, and one per cent on trans-shipping merely.

3710. Does the commission vary much?—The rates I have stated were those fixed by a meeting of the merchants in Sincapore, and I believe them to be the rates in general use.

3711. From your observation at Canton, should you say that the English, and especially the English Factory, are held in higher estimation than other foreigners, by the Chinese government?—I think the Chinese government seem to throw the same discredit very much upon all foreigners. On this point I can however refer to what I consider an authentic translation of two communications from the authorities at Canton, addressed to the court at Pekin, about the time of the Topaze's affair.

3712. In what year was that?—It was about the year 1821. With regard to the Christian merchants, "I reasoned with them," said the governor, "and pointed out to them the great principles of justice and equity, and showed that it was right for them to do what I required of them; but all in vain; good principles and solemn truths had no affect upon them, and I was compelled to interdict their trade to touch their gains. And no sooner was that done than they submitted. They are a mercenary gain-scheming set of adventurers, whom reason cannot rule; the dread of not making money is that which alone influences them." And again, "The English might at any time be brought to stoop if tea were refused; but if they could get the tea in any other way, they would be careless about pleasing China, would indeed despise her, and do as their humours dictated. By *Tea-Reins*," said the governor to the great Emperor, alluding to the management of a vicious horse, "your majesty can control the English; therefore let us take care that they get no tea but what we choose to give them."

3713. How do you know that to be an authentic document?—It was published at the Anglo-Chinese College of Malacca in 1823; and from the connection of Dr. Morrison with that establishment I think that every thing connected with China, coming from the Anglo-Chinese College, has the weight of his authority.

3714. Do you conceive that the English Factory at Canton possess any other weight than that which results from the extensive nature of their dealings?—From any thing that has ever come under my knowledge I have no reason to think that they have.

3715. Do you not conceive that private merchants, carrying on the same extent of business, would probably possess a similar degree of influence?—I conceive that if the English trade to China had been carried on through private merchants, in the way that it has been done by the Americans, the same consequences would probably follow; that the advantages of the trade would become more generally diffused among the Chinese; and that a numerous body of Hong merchants could present more formidable obstacles to the encroachments of the government, than one or two or three individuals, as at present.

3716. Do you think that the American influence in China has increased or declined within the last few years?—I think it has declined since the departure of Mr. Cushing from China.

3717. Can you state any advantages which were gained to the American trade under Mr. Cushing's management?—The American trade escaped under Mr. Cushing's management, or rather measurement, to a great degree, the port-charges at China. American ships coming in ballast were enabled to take cargoes of rice to Canton, and thereby gain exemption from the charges alluded to.

3718. Was Mr. Cushing held in great estimation in Canton?—He was considered to have more influence with Howqua, the chief Hong merchant, than any other individual whatever.

3719. Not excepting the members of the select committee?—Not excepting any one.

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3720. Do the Chinese admit cargoes of provisions without payment of duty?—An edict was issued about the year 1824, a scarcity of rice being apprehended, authorizing ships bringing, I think, 4,200 peculs of rice to be exempted, without payment of certain port-charges, the edict, was afterwards modified; and now I believe any vessel, without reference to size, bringing a full cargo, is admitted without paying these charges.

3721. Do you know any other ships, except Americans, that have in this way escaped these charges in China?—There was one case that came within my own personal knowledge, of a ship under the Dutch colonial flag; but many cases may exist in Java that have not been within my observation.

3722. What was the name of that ship?—The Sourabaya.

3723. Do they escape the charges on departure, as well as those on entering?—There are no port-charges on departure; they escape entirely what is usually called the measurement charges.

3724. Do they escape the cumshaw?—I do not think they do altogether; they escape perhaps only that portion which goes to the government, merely of every charge.

3725. Are there frequent instances of bankruptcies among the Hong merchants in China?—Two have occurred within the time that I have been in India.

3726. Do you know the names of them?—The last was Manhop, in 1828, for about a million and a half of dollars; the name of the other was Konsequa.

3727. Do you know what was the result of that failure?—The Co-Hong, that is the body of the Hong merchants, are on those occasions considered responsible for the debts of the person failing, and in the case of Manhop they came, with great difficulty, into an arrangement to pay his debts, without interest, in five years; but in Konsequa's case it was, I believe, eight or nine years, without interest.

3728. Were the debts paid in those cases?—They were in the course of liquidation; Manhop's only took place in 1828.

3729. Is it the general expectation that his debts will be paid?—I believe it is.

3730. Do you know whether Manhop or Konsequa were either of them indebted to the Company?—I could not understand that Manhop was; he was indebted to some of the supercargoes, I believe, but not to the Company.

3731. Was Konsequa indebted to the Company?—I have no knowledge of the particulars of Konsequa's affairs.

3732. Do you know any thing of the mode in which petitions are presented to the Chinese authorities at Canton?—It is a great object to assemble as great a force as possible on these occasions, and to proceed with as much secrecy and despatch as to escape the observation, if possible, of the persons stationed at the gate, and when they gain possession of the gate, they endeavour to maintain themselves there till a Mandarin appears, for the purpose of receiving the petition; it is generally a scuffle at the gate.

3733. Do you know any instance of such a petition being presented while you were residing at Canton?—There was a petition presented at the gate in October 1828, by the supercargoes of the East India Company.

3734. Do you happen to know whom they were headed by?—I think the deputation was headed by Mr. Davis of the Company's Factory, accompanied by the commodore and some of the commanders, and officers and seamen of the fleet.

3735. What was the object of that petition?—The inferior Mandarins, I believe, at Macao, had interfered with the conveyance of letters, and with the landing of passengers luggage at Macao; the object was to obtain redress for those grievances.

3736. Did they obtain redress?—Immediately.

3737. Do you know any thing of the duties levied at Canton on exports and imports?—A table of duties was published by the Anglo-Chinese college at Malacca, in the year 1823, the only table that I have ever seen.

3738. Do they include the Consoo charges?—They do.

3739. Do you know whether there is much smuggling in China?—The opium trade is altogether a smuggling trade.

3740. How many ships have you ever seen conducting the opium trade together?—When I passed Lintin there were 14 ships lying there, and I should think 10 of them were opium ships.

3741. Of what country were they?—One American and one Portuguese, and, I think, the rest were country ships.

3742. Is the opium taken to China chiefly Indian opium?—Almost altogether Indian opium.

3743. Does it come from the Company's territories?—It is grown altogether on the Company's territories, excepting what comes from the Portuguese territories.

3744. Do you know whether it is packed in chests bearing their mark?—Always, as far as my recollection goes; I have often opened chests, and I never found their mark wanting.

3745. Have not the Chinese government found it impossible to put this trade down?—Quite impossible; they have issued repeated edicts against it, but to no effect.

3746. To what circumstance do you attribute the rapid increase in the consumption of opium in China?—To the greater facility that is afforded at Lintin by the ships lying there, to what there was formerly when the ships lay at Macao or at Whampoa.

3747. Do you know whether there is much smuggling in China in the articles of export?—As far as my own experience went, I found the parties who were not Hong merchants ready to make a bargain either way, that is, to deliver the article as a smuggled article at Lintin, or in the usual way at Whampoa.

3748. Have not they some term by which they distinguish the illicit trade?—They usually call it the *Smug-pigeon.*

3749. Were you at Canton when the Hong merchants interdicted the shopmen from conducting the business?—It occurred some time previous to my last visit to Canton in 1828.

3750. Was it generally considered that the Company's Factory had instigated the Hong merchants to do that?—That was the general impression.

3751. What was the effect upon the trade?—At first the effect was to interdict all dealings with the shopmen.

3752. Did that state of things last long?—When I arrived there its effects were visible; but before I left China they had almost entirely disappeared.

3753. What interval elapsed between your arrival and your departure?—Three months.

3754. Who were the principal sufferers by this?—The Americans; they conducted the greater part of their business with the Hong merchants.

3755. Did they make their remonstrances to the Viceroy?—They made two remonstrances, and had a reply to one of them; but I believe it was addressed to the Hoppo.

3756. Have you any copy of them?—I have.

3757. Will you state the date of the first remonstrance, and by whom it was made?—The date of the first is omitted; it professes to be signed by N. Talbot, consul or agent for the United States of America, T. W. Oliphant, N. Dunn, J. R. Latimer, J. H. Blight, &c. &c.

3758. How many Hong merchants are there who transact business?—There are only three, or, at the utmost, four in established credit.

3759. Do you consider them possessed of sufficient capital for carrying on the whole foreign commerce at Canton?—Certainly not.

3760. Have you heard any estimate of the value of the whole export and import trade at Canton?—I have heard the European and American trade estimated at 60,000,000 of dollars.

3761. What proportion of this trade is considered to be carried on by the East India Company?—About one fourth.

3762. Is the invoice value of the trade of the East India Company in Great Britain and China larger than that of the Americans?—Those circumstances have never come within my knowledge, except upon reference to Parliamentary documents, and according to those I made up a statement from the year 1821 to 1827 inclusive, the result of that statement is, that the American trade for these six years exceeds that of the Company by 382,812 *l.* sterling.

3763. Do you speak of the imports or the exports?—The imports and exports together.

3764. Will you have the goodness to deliver in the statement you have made out?—

[*The witness delivered in the same, which was read, as follows:*]

Mr. *J. A. Maxwell.*
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* ACCOUNT of the Trade (Total Import and Export) of the Americans and of the East India Company with China for the Six Years ending 1826–27.

American Trade.		East India Company's Trade.	
1821–22	£. 3,306,004	1821–22	£ 2,678,422
1822–23	3,436,960	1822–23	2,630,002
1823–24	2,597,893	1823–24	2,805,428
1824–25	3,783,686	1824–25	2,500,898
1825–26	3,576,862	1825–26	2,538,932
1826–27	1,778,293	1826–27	3,029,144
£.	18,479,698	£.	16,182,826
Average £.	3,079,949	Average	2,697,137
		Difference	382,812
		£.	3,079,949

* *Note.*—Papers relating to the Trade with India and China, printed 4th June 1829; Nos. 20 and 25.

3765. Have you found any difficulty in carrying on your commercial intercourse with the Chinese at Canton?—I have never been any where where business is so easily done as at Canton on the same scale.

3766. What is the language generally employed there in conducting business?—A broken kind of English; a mixture of English and Portuguese is in general use, and is now so well established that there are schools for teaching it.

3767. Where are the schools?—In the neighbourhood, I should suppose, of the shopmen. I have heard boys of 12 years of age speak it.

3768. Did you ever know an English private ship with an entire European crew go to Canton?—I have known several private traders with European crews; I went myself up to Canton in 1826 in one of them, the Exmouth, and I knew another, the Sarah; she loaded at Macao in 1828, before I left, with a cargo on account of the Company's commanders at Macao.

3769. What were those crews?—Europeans, in both instances; and I heard of many others.

3770. Were they a mixed crew of Europeans, or entirely English?—I should think the greater proportion of the crew that I went up with was English. I believe the whole were English.

3771. Did you ever hear of any difficulty at Canton on account of the vessels that traded there with English crews?—Never.

3772. Under what permission did those ships go to Canton?—In the case of the Exmouth, she went by permission from the Bombay government. In the case of the Sarah, I think it was by permission of the Bombay government also. The Exmouth carried a cargo of cotton from Bombay to Canton.

3773. Have you ever known of any country ships proceeding to Chinese ports, north of Canton, and trading with the natives?—I have heard of several of those adventures.

3774. Can you state what the cargoes were that they took?—The cargoes generally consisted of opium, almost altogether; in some cases they took a little saltpetre, I believe.

3775. Did they find any difficulty in effecting sales with the natives?—I understood that they always effected sales; I did not hear that there were any extraordinary difficulties.

3776. What were the ports they went to?—Many of the ports have escaped my recollection, but I recollect the port of Chingchoo and Chusen, and the island of Formosa.

3777. Do you know where those ports are situated?—Chingchoo is in the province of Fokien.

3778. What

3778. What reception did you understand the natives gave to those adventures?—I believe they gave a good reception. A Spanish gentleman, who was a supercargo, in one of the expeditions told me, that he landed on Formosa and walked several miles. I recollect his mentioning particularly that he observed the remains of European houses there, which he considered to have been the remains of those that were occupied by the former Dutch factory at Formosa.

3779. Do you know how long it is since that factory was removed?—I should think more than 100 years.

3780. Did you understand that the sales which were effected at the northern ports were at a considerable advance above the Canton prices?—I could not understand that there was any great advance. I heard the parties mention that they found the Chinese dealers there in possession of regular price-currents from Canton, stating the stock on hand of opium, and other circumstances connected with the market.

3781. Do you remember an instance of the Merope making an adventure of that nature?—The Merope returned from one of those adventures a few days before my arrival in China. I boarded her at Lintin as I was passing.

3782. Had she disposed of all her cargo?—I understood of the whole of it.

3783. Do you know what was received in exchange for her commodities?—I believe silver.

3784. No tea?—I never heard of any tea.

3785. You have mentioned price-currents being found in the northern ports of China, do you mean that the Chinese themselves had price-currents, or only European price-currents?—The Chinese themselves had price-currents; regular statements of the markets.

3786. Does that consist with your knowledge respecting the Chinese in other countries?—I have found the Chinese in the straits of Malacca always well informed of the state of the markets in Canton.

3787. Would there be any serious injury sustained by the government officers at Canton by the interruption of the trade at that port?—The government appointments at Canton are understood to be more valuable than any other appointments under the Chinese government, in consequence of the foreign trade.

3788. How many British subjects are there residing in China, independent of the Company's Factory?—Natives of Britain, about 30.

3789. What are the usual rates of commission charged by British houses of agency at Canton?—Three per cent on sales, two and a half on returns in produce, one per cent on returns in bills; but these points are usually matters of arrangement between parties.

3790. Were there any Chinese residing at Sincapore when you were there?—A great many; the largest proportion of the population are Chinese.

3791. What impression has the Chinese character made on you?—That they are a very shrewd, intelligent and enterprising people, more alive to the value of character than any other Asiatics that I have ever met with.

3792. Do you consider them to be a commercial people?—Highly commercial; their commercial propensities are stronger than those of any other people.

3793. Is there much intercourse between Sincapore and China in Chinese junks?—A very considerable intercourse; about eight junks annually.

3794. Do you know the size of the largest of the junks?—It is very difficult to estimate them by European tonnage; they are very unwieldy-looking vessels. I should think the largest of them is about 800 tons that I have seen at Sincapore, and the smallest about 500.

3795. From what ports of China do they come?—The largest, but the least valuable, come from Canton; the smaller ones (the green-headed junks, as they are termed, from the green paint on their bows) are from Fokien.

3796. Do you know the nature of the cargoes they generally bring?—The cargoes are generally intended for the Chinese colonists in the Archipelago. The Canton junks generally bring a large quantity of coarse earthenware, some raw silk, nankeens, tobacco, sacrificial paper, and various articles for the use of the Chinese colonists. The Fokien junks bring almost the same articles, with the addition of camphor, sugar-candy, and a larger quantity of silk and nankeens.

3797. Do they import any tea to Sincapore?—They every year bring teas for the use of the Chinese colonists.

3798. Is not that a tea of an inferior description?—It is not perhaps a superior tea, but it is not inferior to what the general class of Chinese colonists use.

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3799. How do you designate it?—It is black tea; but I do not know the particular denomination.

3800. Have you known any quantity of tea brought down to Sincapore for other use beside that of the Chinese?—One season there were about 5,000 boxes brought down.

3801. Supposing the trade in tea to be thrown open, do you conceive that tea might be imported into Sincapore of a quality fit for the European market, and in sufficient quantity?—I have no ground for speaking positively on that subject; but several of the Chinese there have frequently offered to contract with me for the supply of black teas from Fokien.

3802. Can you state with respect to green teas?—They would come direct from Canton, and it would be more difficult to get them, I should think.

3803. Are you aware whether the green teas are also grown in the maritime province?—I rather think they are not grown in a maritime province.

3804. On what terms did they offer to supply them?—The thing never got to that length, for I could not have made use of the teas if I had got them.

3805. Do you consider that they will deliver them at Sincapore upon somewhat the same terms on which they are now sent to Canton?—They stated with great confidence that they could deliver them at Sincapore on such terms as would make it an object for Europeans to purchase them.

3806. How did they suggest that this object should be accomplished?—They suggested to me to obtain at Canton chops of the different descriptions of teas that were supplied, (by chops, I mean the Chinese name in Chinese characters;) they proposed to send those chops up to Fokien, and to secure a supply of tea by the return of the junks.

3807. Have you ever heard that there is an imperial edict against the exportation of teas sea-wise?—I am aware that such an edict exists.

3808. Do you think that would prevent such an intercourse taking place?—No; I think they would disregard it, as they do other edicts.

3809. Are they in the habit of disregarding all edicts, the object of which is to stop foreign trade?—I never heard a Chinese quote an edict as an obstacle to the purposes he had in view.

3810. Have you ever heard of tea imported direct from China into Cochin China, or Siam?—I believe part of the lot I have alluded to of 5,000 boxes was imported into Sincapore from Sygoon in Cochin China.

3811. Is there much intercourse between Sincapore and the kingdoms of Siam and Cochin China?—There is a great deal of intercourse, particularly with Siam.

3812. What quantity of vacant European tonnage do you think returns annually from China to Sincapore?—About 12,000 tons; ships from the Presidencies that carry cotton or other cargoes to China, and coming back in ballast.

3813. Do many vessels resort to Sincapore and Batavia from New South Wales?—A great many. The last five years I was in India there was about an average of at least 3,000 tons to India from New South Wales.

3814. What information have you lately received from Sincapore as to the rates of freight?—The latest quotations from Sincapore were for tin, as dead weight, 25 *s.* a ton; sugar, 3 *l.* a ton; coffee, 3 *l.* 10 *s.*; measurement goods, 4 *l.* per ton.

3815. In what degree would the expense of transmitting merchandise to and from Canton become increased if trans-shipment at Sincapore were had recourse to?—As compared with the present freights, I should think the expense would be diminished greatly.

3816. Do you consider Sincapore a convenient entrepôt for European and Chinese merchandise?—Highly convenient; the most convenient station in the Archipelago.

3817. Should you anticipate great commercial benefit to this country upon the whole, from the removal of the Company's monopoly in China?—Certainly.

3818. Have the Chinese any manufactories at Sincapore at the present time?—They have manufactories of pearl, sago, and of gambier.

3819. Does it consist with your knowledge that they have sent for steam-engines and machinery from England to carry on those manufactories at Sincapore?—It consists with my knowledge that one Chinese wished to have a steam-engine of three or four-horse power, and that he authorized a house at Sincapore to procure that steam-engine for him, if it could be got at a certain expense.

3820. Has it arrived?—Not when I left Sincapore.

3821. Are

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3821. Are you aware that Prussian blue was an article of very considerable import into China?—I understood it was.

3822. Is it so now?—I believe not, in consequence of a Chinese that had acquired a knowledge of the process in Europe, having settled himself at Canton, where he manufactures it now. It did not come within my own personal observation, but I heard the thing generally talked of at Canton.

3823. Do you consider the East India Company's Factory in China indispensably necessary to the maintenance of the British commercial intercourse with that country?—I have never heard it considered so, and I do not consider it so.

3824. Do you consider it conducive to the facility of trade generally?—There being only a particular trade carried on through the Factory, I cannot state that it is conducive to the general trade of the country: the general trade has had no access to China.

3825. Are the Committee to understand that, in your opinion, the Company's Factory at Canton is of no advantage to any other trading community but the East India Company?—I think that the Company's Factory, from the magnitude of their operations, have great influence with the Hong merchants; and that whenever they may choose to exercise that influence in favour of any particular interest or another, to that extent it will be beneficial to that particular interest.

3826. Are you aware that there was no factory at Canton before 1758?—I have understood so.

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Captain *William Langley Pope*, called in; and Examined.

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3827. ARE you engaged in the sea-service?—I am.

3828.—Did you make any voyage in the year 1826, and in what ship?—I left England in 1826 in the Boyne; I went to New South Wales, and from thence to China.

3829. What was the tonnage of your vessel?—She was 620 tons register, or thereabouts.

3830. By whom were you chartered on these two voyages?—I was chartered out by the Government, and home by the East India Company.

3831. Did you make that voyage and reach Canton?—I left England, to the best of my recollection, in May, and went to Cork. I left Cork in June 1826, and I returned in September 1827 to London.

3832. Did you take any cargo from New South Wales to Canton?—None, except the cargo that I took from England, which was some iron and flints. That I took on with me.

3833. Did you dispose of the iron and flints at Canton, and at what rate of profit?—I sold the iron at 125 per cent profit, the flints were bought here for 30 *l.* for 50 tons, and sold there for upwards of 900 Spanish dollars, or nearly 225 *l.* sterling.

3834. Will you state the amount of that in sterling money?—According to the exchange the dollar was then 5 *s.*, therefore it would be a quarter.

3835. What would have been the freight of the iron and flints?—I am not aware what it would be to Canton, but it would be to any part of India from two to three pounds per ton.

3836. How many tons of iron had you?—I think about 20.

3837. What cargo did you take on board at Canton for Europe?—I loaded with teas for Europe.

3838. How long did you remain at Canton?—The ship was three weeks at Whampoa, that is the place where they usually load; but I was altogether in China five weeks.

3839. What length of time were you in completing your commercial arrangements at Canton in selling what you had to sell, and purchasing what you wished to buy?—Three weeks.

3840. Could you have completed those transactions in a shorter time?—I think it could have been done in a fortnight.

3841. Were the port-charges upon the ship Boyne paid by you?—The port-charges were paid by the East India Company.

3842. Can you state what those port-charges were, or had you any means of ascertaining what they were upon ships of a similar tonnage?—Yes; on the ship

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Lady East of 651 tons. I have an extract from her accounts, and the whole, including pilotage, is 5,202 Spanish dollars.

3843. Can you state the details of that account?—I can. The cumshaw and measurement, 4,436 dollars 80 cents; linguist and compradore, 477 dollars; commission on the above sums, 122 dollars 4 cents. Paid by ship—Pilotage, barboats, and outside pilot, 167 dollars; making together 5,202 dollars and 84 cents; but the 167 dollars were paid by the owners of the ship; the Company do not pay the pilotage.

3844. You have stated that you took tea on board at Canton, was that tea entirely on the Company's account, or any part of your own?—There were 12 tons of my own teas.

3845. How much of the Company's?—According to their regulation there were 596 tons, that is according to their way of calculating tonnage from 800 to 1,000 pounds weight, which, when put into cases, will measure 72 cubical feet; according to that the Boyne had on board, with my tonnage, altogether 875 tons of 50 cubical feet to the ton, which is the customary measurement.

3846. How did you buy the tea which you purchased on your own account?—I bought it through an agent.

3847. Are you aware whether it was purchased by that agent from the Hong merchants, or from the outside merchants?—From a Hong merchant, I believe.

3848. Was the quality of your tea good?—I believe it to be as good as any on board the ship.

3849. Had you ever been before in China?—I never had.

3850. Did you find any difficulty in carrying on your commercial transactions there?—Not the slightest whatever.

3851. Had any of your officers or crew been there before?—None of the officers had, perhaps some of the men may have been there before, but it is unknown to me.

3852. As to the comparison with a voyage to Bengal or Bombay, did you find more or less difficulty in Canton in making your arrangements than you would in other places?—I found greater facility in transacting business at Canton than I had in any part of India, and I have been to all the Presidencies in India.

3853. Had you any intercourse with the merchants at Canton that would give you information with respect to the result of opening the trade?—I had not much communication with the merchants, any more than merely in selling the little I had on the ship's account; but they were excessively anxious to know if I had any goods on board for sale.

3854. Were you able to ascertain whether you could have disposed of them at a profit, if you had had such goods on board?—I was told that I could dispose of British manufactured goods, at that time, at a great profit.

3855. Had you any guns on board; and what was the number of your crew?—I had four guns; and the crew were 49, including myself and officers.

3856. Had you any difficulty in maintaining discipline amongst those persons, or any complaints made against them, whilst you were in the river at Canton?—I had no difficulty whatever. Part of the crew landed twice on Dean's Island, which they are allowed to do, according to the Company's regulations; they returned very orderly, and were very obedient.

3857. What was the reason you had so large a crew as 49 persons?—According to the regulations of the charter-party.

3858. Were those regulations in consequence of the Boyne having been used as a convict ship?—To the best of my recollection, 47 men were the number required by the Transport Board; but 49 were required by the Company.

3859. What number would you have considered necessary for the purposes of the management of your ship, for ordinary commercial purposes, if you had not been bound by the charter-party?—I have since been to India in the same ship, as a free trader, and the whole of the crew, I think, were in number 45; but then there were four servants to attend on passengers, and an extra cook, and a butcher and poulterer, which we had not on the former voyage, which being deducted reduced the number of effective men to about 35; and I found them quite sufficient.

3860. If you had been sailing in the Boyne for purposes purely of a commercial character from England to Canton, without passengers, what crew would you have felt sufficient for the due security and navigation of the vessel?—I should say 40 would be quite a sufficient number for that vessel.

3861. In

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3861. In loading your vessel at Canton, did you make use of Chinese or of your own hands?—My own people received and stowed the cargo; I had not a Chinese on board.

3862. Are you aware what is the usage with respect to the Company's ships?—I believe it to be usual with them to employ Chinese for the purpose of stowing their cargoes; but my men were so orderly that I had no occasion to employ any.

3863. What did your crew consist of?—Europeans.

3864. Of what nations?—Probably I might have had some of all nations.

3865. Was the bulk of the crew Englishmen?—Yes; there might have been four or five foreigners, but they had been many years in English vessels.

3866. Can you state what was the damage the owners had to pay to the Company for tea spoiled?—There was some slight damage to the amount of about 200 *l.*, but that was in consequence of improper ballast; and I had to come round the Cape of Good Hope in the dead of winter; I was a month off the Cape in hard gales.

3867. Are you aware what the proportion of damage in the Company's large ships is?—I have not any idea; but I have heard that some of them damage a great deal.

3868. Do you think the class of ship you commanded calculated to bring the tea in as good order as the large ships employed by the Company?—I do.

3869. Do you say that from your own knowledge, as a seaman?—I do.

3870. Are you aware what proportion of tea-cargo you carried, comparing the registered tonnage of your ship with the registered tonnage of the large ships?—Yes; the large ships, some of them take a few tons less than their tonnage, some take a few more; my ship took a few tons less than her tonnage. But there were several other small ships that were chartered in the same year that took a considerable quantity more than their tonnage.

3871. Do you mean to say, that a 1,200-ton ship of the Company does not carry more in proportion to her tonnage than your ship of 600 tons?—She does not. I am satisfied that we carry in proportion equal to any 1,200-ton ship.

3872. Do you think that two 600-ton ships would bring home as much tea as one of the Company's 1200-ton ships?—Yes.

3873. Would they bring more?—About the same quantity.

3874. Would they bring it in as good condition as the larger ships?—They would, leaving Canton at the season at which they do, which is a favourable time to come round the Cape of Good Hope.

3875. What freight were you chartered for?—£. 10. 18 *s.* for the cargo home.

3876. Do you know what was the rate of freight paid on the Company's regular ships from Canton to England for tea the season you were there?—I believe from 18 *l.* to 24 *l.*

3877. Do you mean that the officers tonnage was sold at that rate?—Perhaps more; but the owners of those ships at that time were receiving the lowest, I believe 18, and the highest 24.

3878. The question refers solely to the freight home from China in the officers privilege?—The officers got 35 *l.* to 40 *l.* a ton from private individuals.

3879. Do you know of any getting that rate at that season?—I heard of several; and I believe some got as much as 38 *l.*

3880. You have stated that the freight of the tonnage paid for your ship from Canton to England was 10 *l.* 18 *s.*; what was paid to the shipper by the Transport Board for a voyage from London to New South Wales?—£. 5. 9 *s.* 6 *d.*

3881. And you stated that you took on from New South Wales to Canton 20 tons of iron and 50 tons of flints?—Yes.

3882. Was any cargo put on board at New South Wales and carried on to Canton?—None.

3883. At what rate of freight did you estimate those 70 tons?—I never made a calculation, as we were permitted by the Transport Board to put it in as dead weight, and it was also permitted by the East India Company.

3884. You admit that that was an advantage to the ship?—It was; the Chinese will not allow a ship to enter their port unless she brings something in the shape of cargo.

3885. When you stated that the freight paid by the Company is from 18 *l.* to 24 *l.*; are you not aware that this is for a voyage out and home circuitous?—Quite aware.

3886. From the experience you have had in stowing cargoes in different parts of the world, will you state whether there is any particular art, or any greater

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difficulty in stowing a tea-cargo than any other cargo from any other port where you have been?—I believe a tea-cargo to be the easiest cargo there is to stow, because the chests are square.

3887. Have you ever been on board the Company's ships while stowing tea?—I have.

3888. Do you not use the same mode of setting up the chests, by screws, as they do on board the Company's ships?—When it is necessary.

3889. Then you do not consider any peculiar art required in the stowage of tea, more than that of a general cargo?—I do not; for my teas were stowed by an officer who never stowed a tea-cargo before, and it was approved of here by the Company's surveyors, after my arrival in England.

3890. Would you not consider that a tea-cargo could be stowed more easily than a general cargo of different kinds of goods, which required placing according to the nature and quality of the article?—I believe it to be much easier than a general cargo.

3891. Do you know what profit you made upon the tea?—I think it paid about 35 *l.* a ton profit.

3892. Are you aware of the quality of the Company's tea which was imported on board your ship?—I believe it to be good; but I am not aware; there were different sorts of tea; there were Boheas, Twankays, Hyson, and Souchong.

3893. Are you aware of the quality of the tea laden on board your ship belonging to the Company?—I am not, as I before stated.

3894. How then can you assert that your own is as good as that belonging to the Company?—Because I do not believe there can be better tea got in China than what I had.

3895. You stated that the Company's officers are employed to lay the cargo on board the ships; are you sure of that fact?—I am quite sure of it.

3896. You stated that you met with great facilities in the lading and unlading of your ship in China; are you not aware that that was in consequence of yours being a Company's ship, under the orders of the supercargoes?—I am; but I saw several ships there that were country ships, and ships that were not employed by the Company, that were despatched, and met with the same facility that I did.

3897. Are you of opinion that no advantage attached to the circumstance of your having been in the employment of the Company at that time?—I do not think there was, so far as regards the despatching of the ship; if there had been an agent there to procure the cargo, and have it ready, she would have been despatched as soon as she was by the East India Company's supercargoes.

3898. Are the Committee to understand that the Company's regulations induced you to navigate the Boyne with one fourth of the crew that you would have had if you had consulted your own interest?—I should have said 40 was quite enough for that ship, and I was obliged to have 49.

3899. If you had had double the quantity of iron, and double the quantity of flint, do you think you could have sold them readily at equal profit?—I could; they were anxious to have more, and would have bought more if I had had it.

3900. Is it your opinion that the trade in flint and in iron could be materially extended?—There was a demand at that time for those articles.

3901. Are you able to state whether the port-charges at Canton fall more severely upon a small ship than upon a large one?—The smaller the ship is the less they are. The ship that I know the charges of was 651 tons, and she was considered a first-class ship. I do not know what a second-class ship would have had to pay, but there would have been a considerable difference.

3902. Do you know how many classes of ships the Chinese make in charging the measurement?—I believe there are three classes.

3903. Can you state the number of tons forming a first class?—I cannot.

3904. Supposing a ship was to leave England at the proper season of the year, what time do you think would be required to make an average voyage from England to Canton and back?—It could be done very well in nine months.

3905. What time do the Company's ships require to make the same voyage?—They generally go to India first. The direct ships, I believe, make their voyage in about 12 months out and home; those that go by India, I think about 14 months.

3906. Do not the Company's ships lie very long in the port of Canton?—Some of them, I believe, lie there a considerable time, perhaps three or four months.

3907. Do you consider that they lie, generally speaking, longer than private ships would lie, carrying on the same tade?—Private ships would leave at all seasons

seasons, but the Company's ships are obliged to wait for the change of the monsoon.

3908. Can you give the Committee any account of the average duration of the voyage of a Company's ship and of a private ship, taking that circumstance into consideration?—I cannot; there are few private ships that go direct.

3909. You have stated that the voyage you made was a circuitous voyage?—It was.

3910. Was it as circuitous a voyage as the Company's ships make when they go from England to India, and from thence to China?—It was more so. I went the eastern passage to China, through the Pacific. I was as far as 177 degrees of east longitude.

3911. What would have been your freight direct to Canton for a cargo and back, if you had been chartered out?—I think there were ships which went that same year out and back for 13 *l.*

3912. What length of time were you in making this voyage?—I was about 16 months on the voyage.

3913. If you had made a voyage direct to Canton might you have completed it in nine or ten months?—It could be made in that time.

3914. You have stated that the freight of the Company's ships was from 18 *l.* to 24 *l.* per ton on the circuitous voyage; do you know what was the freight of the Company's direct ships to Canton?—They are built expressly for the Company, and taken up at so much per ton; it is optional with the Company either to send them a double voyage, or a direct voyage, therefore they get the same for going a direct voyage as they would for going a double voyage.

3915. Were you on board of your ship when the tea came alongside in the Canton river?—I was.

3916. What quantity did the boats bring down at a time?—About 700 or 800 chests at one time.

3917. Were you able to take them all in one day?—I was able to take in three chops in one day.

3918. Were you able, in a ship of that size, to stow all that was sent down to you in each day within the 24 hours?—Yes; I stowed three chops one day, but two on an average.

3919. That being 1,400 or 1,500 chests?—About that.

3920. Were you able to stow them finally as you took them in?—We were.

3921. And you found no inconvenience in having that quantity brought alongside in one day?—Not the slightest.

3922. Do you consider that the Company's large ships have any advantage over a 500 or 600-ton ship, in being able to stow them faster than you can?—They would certainly be able to stow more in a day than we could do.

3923. If the quantity was limited to 600 or 800 chests per day, do you think they then would have any advantage over you?—No, I do not.

3924. Are you now commanding a vessel?—I am in the command of the Lady Macnaughten.

3925. For how much would you tender your ship to go to Canton direct, choosing your own time of sailing, to bring home a cargo of tea, and reckoning a ton of tea at 50 cubical feet?—The Lady Macnaughten does not belong to myself; but I am building a ship, which will be ready next year, and I should be very glad to get the ship engaged by the East India Company to go to China annually, at 9 *l.* per ton, out and home, calculating the tonnage at 50 cubical feet.

3926. What size ship will your ship be?—About 600 tons.

3927. Do you contemplate making the payment of the cumshaw and the measurement, and those other duties which you stated to have been paid on the Lady East?—Not in the 9 *l.*

3928. Do you contemplate to pay the pilotage, and port-charges of that nature?—I do in the 9 *l.*

3929. Then you would leave the cumshaw and the measurement-duty as an additional charge to the freighter, and not to the owner?—No.

3930. By whom would the commission be paid?—By the person who pays the cumshaw and measurement: that would be a charge on the ship.

3931. What is your idea of the comparative advantages of a large and a small ship entering Canton river, as to the facilities of going up and down?—A small ship is the handiest, certainly, and easier to get up than larger ships.

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3932. Were any of the Company's larger ships at Whampoa when you were there?—There were two or three.

3933. Did they take in all their cargo at Whampoa, or did they go below the second bar?—To complete their cargo they were obliged to go down below the second bar.

3934. Did you complete your cargo at Whampoa?—We did.

3935. Do you not consider it some advantage to be able to complete your cargo at one place?—I do; because there is not the risk of the chops, which are not very fine boats; and I consider that by their going down below the second bar there is great risk.

3936. With whom would the loss lie if a chop containing tea for a ship was lost on the way to the ship?—That is a point on which I am not prepared to speak.

3937. Did any instance of loss take place while you were there?—Not any, to my knowledge.

3938. What is the distance from Canton to Whampoa?—About 10 miles.

3939. What is the distance from Whampoa to the place below the second bar, where the large ships take in their cargo?—I do not know exactly the number of miles, but I think it is about 17 or 18.

3940. You have stated that you would be glad to engage your ship to the Company to go to Canton and back at the rate of 9 *l.* per ton, of 50 cubic feet; what is the size of the ton for which you say the Company were paying from 18 *l.* to 24 *l.*?—The Company pay for a ton of 72 cubical feet; but I should be happy to engage at 9 *l.* a ton, of 50 cubic feet. The Company pay at so many cwt. to the ton; from 8 to 10 is the weight; and the tea, when packed in chests, is 72 cubic feet to the ton.

3941. What would be the tonnage at which you could engage your new ship, if the terms were exactly the same as the East India Company's?—I could fit a ship of 600 tons the same as the Company's ships are fitted, and sail that ship direct to Canton and back for 13 *l.* a ton; and for 2 *l.* a ton more I could pay the port-dues.

3942. What were the Company paying?—The Company were paying from 18 *l.* to 24 *l.* per ton.

3943. Do you consider it necessary to have the same quantity of stores and crew on board your own ship as the Company have by their regulations?—I do not; I think they are over-manned; that is, that many of the men may be dispensed with.

3944. If instead of fitting the ship as the Company prescribe, you were only to give the ship that description of fitting which you consider necessary for her safe voyage from England to Canton and back, at what rate per ton could you do it?—For 13 *l.* a ton, on the register tonnage.

3945. Supposing your ship to be 600 tons register measurement, you would be able to bring home 600 tons of tea, each ton being 72 cubical feet?—About that quantity.

3946. Did you not state that in the season in which you performed your voyage there were other ships freighted by the Company, out and home, for 13 *l.* a t
There were.

3947. How do you account for the difference between the freight at wh
could afford to send your ship to Canton and back, and the freight which the
pany pay?—The only difference is, that the owners of the Company's ships derive a greater profit from their voyages than we should be content with.

3948. Do not the Company freight their ships by tender?—They do.

3949. How do you account for the circumstance, that in taking the lowest tender they still freight their ships at a much higher freight than you say you could afford to freight a ship to Canton and back, with the same fitting up?—It is only of late years that the Company have chartered small ships; they have always imported their teas in large ships, and those ships were contracted for before they were built, and built expressly to perform six voyages, at a certain rate per ton.

3950. Then you mean that it is a more expensive process to contract by tender in that way for a ship for six years, than it would be to engage a ship upon tender for a specific voyage?—It is more expensive to the Company.

3951. You have said that you would tender a ship to go to China and bring home a cargo of tea, complying with the usual terms and conditions required by the India Company, at 13 *l.* per ton?—Upon the register of tonnage.

3952. Upon those terms do you understand that you are to have all the stores, the number of men, and every other condition required by the Company complied with?—

Captain *W. L. Pope.*
18 March 1830

with?—I do; but the Company paying the cumshaw and measurement, which I estimate at about 2 *l.* a ton.

3953. Supposing you were at perfect liberty to proceed to Canton, freighted by a private individual, the only condition being to have the ship seaworthy, with all necessary stores, but to make the best of your voyage there and back, and carrying no more stores, nor coming under any other condition, further than you thought necessary for the safety of the ship; at what rate per ton would you charter a vessel on the registered tonnage?—At 13 *l.* a ton. If the ship was chartered by a private individual, at 13 *l.* a ton, I could pay the cumshaw and measurement, which would be about 11 *l.* on the registered ton.

3954. Is that the only difference between freighting for the Company and freighting for an individual, and being at liberty to make the voyage as you pleased?—The Company's regulations are more expensive as to fitting, but I am not prepared to say quite exactly to what amount.

3955. If you could supply shipping to the Company at 13 *l.* a ton, how do you account for so much heigher freight being paid, competition being already had recourse to?—I cannot account for it in any other way than that the ships were taken up at that rate of freight when materials for fitting ships were more expensive than they are now.

3956. Then you would attribute the shipping at the present rate of freight to the term not having yet expired for which they were originally engaged?—Yes.

3957. If that term had expired, do you assume that the Company could supply themselves with shipping much cheaper in time to come?—Much cheaper; but the larger ships would be still more expensive to the Company than the smaller ones.

3958. You were engaged in this voyage in the year 1826–7; are you aware what difference there was in the outfit of a ship and the provisions of a ship between 1826–7 and 1829–30?—I am not; every thing is certainly much cheaper than it was at that time, but I cannot say in what proportion.

3959. You have stated that the Company, while you were in China, were paying at the rate of from 18 *l.* to 24 *l.* a ton; are you aware of the nature of the voyages those ships are liable to?—I am not, any further than that they proceed to India; some to Saint Helena, some to Bombay and China; others to Bengal and China; others to Madras and China.

3960. Are you aware that they are liable to be employed at the call of the Court of Directors for any purpose political as well as commercial?—I am.

3961. Are you not aware that there must be a great difference between those ships which are liable to be used for political purposes, as transports and men-of-war, and ships going direct to China?—There must be a great difference certainly; but not equal to the difference between 13 *l.* and 18 *l.*

3962. Have you not stated that ships engaged at the rate of from 18 *l.* to 24 *l.* were ships upon old contracts, seven, eight, and ten years old?—Yes.

3963. Do you apprehend there is any difference between the prices of this day and the prices of ten years back?—Things certainly are cheaper now than they were at that time.

3964. Do you apprehend that if all the ships required to bring home the annual supply of tea for this country were to be advertized for in this market, that would not have a great effect in raising the price of freight, which you now say you could supply at 13 *l.* a ton?—I think that it would be a means of employing a great number of ships that now cannot find employment; perhaps it would affect the freight a little, but not much; there are so many ships that the competition would be very great.

3965. Are you aware that the owners, for the freight of 18 *l.* and 24 *l.* are obliged to carry 20 guns, and six 32-pound carronades?—Yes.

3966. Do you consider that necessary in fitting out a ship to go to Canton for a China cargo?—I do not.

3967. Then you would save all the expenses connected with that supply?—I would. I should consider six guns quite sufficient for a ship of 600 tons.

3968. How many cables would you consider it necessary to take in a ship going out direct to Canton?—I should have three cables, two bowers, and a stream.

3969. If the Company require seven cables, would not that be also an additional expense to be deducted in any tender you would make?—It would be attended with additional expense of course.

3970. How long have you commanded a ship?—I have commanded a ship since 1823.

Captain *W. L. Pope.*

18 March 1830.

3971. Do you know what the freight was in 1820?—I do not.

3972. In estimating the freight you have spoken of, how many days delay in the port would you calculate upon as occurring at Canton?—I should calculate on 30 days.

3973. Would 30 lay-days commonly be sufficient for the purpose?—Quite sufficient.

3974. And do you not conceive that under those circumstances demurrage would commonly be charged?—I think not.

3975. Do you know that at the present moment a demurrage is charged upon the Company's ships?—I am aware that there is a demurrage at times.

3976. Do you conceive that demurrage would be charged, provided the ship were freighted by private individuals, commonly speaking?—A great deal depends upon the nature of the engagement.

3977. Do you know how many lay-days the Company calculate upon at Canton?—I do not recollect the number of lay-days, I only know that I had no demurrage.

Mr. *John Simpson*, called in; and Examined.

Mr. *John Simpson.*

3978. YOU are an insurance broker in London?—I am.

3979. Have you any partner?—The firm is Stuart and Simpson.

3980. Are you in the habit of doing insurances to the East Indies and China?—Occasionally to the East Indies, not often to China.

3981. Are you aware of the rate of premium both to the East Indies and to China?—I am.

3982. Can you state the rate of premium on a first class British ship from hence to Canton?—50/ out upon the ship.

3983. What would be the rate upon goods, upon manufactures, for instance?—About the same; something might depend upon the nature of the goods; if they were liable to damage it would be something more.

3984. What would it be from Canton back to England?—The same.

3985. What would it be from London to Canton, and back to England?—Five pounds.

3986. Would it be the same from other parts of the United Kingdom?—Yes, about the same, or rather less.

3987. Are those the current rates at which you have known insurance done?—There is not a great deal done to China in Lloyd's; but those are the rates upon what is done, when it is done through insurance brokers, and it is the rate upon other vessels that go to Sincapore, Batavia, and the neighbouring ports there; and I am aware that the underwriters would as lief go to Canton at once and back again as to those ports I have mentioned.

3988. Have you ever effected any insurances on goods by the Company's ships?—It is some time since I have done any thing of that sort; it is done by respondentia frequently upon the voyage out and home, which I have done.

3989. Which do you consider has the advantage in insurance generally; on which is the premium lowest, on a Company's ship, or a private trader?—I do not think there would be any difference whatever.

3990. Have you ever done any insurances on goods by American ships to East India or to China?—I never have.

3991. Have you any means of knowing what would be the rate of insurance demanded at Lloyd's upon American ships?—It would depend upon the nature of the goods, and the description given of the ship; the American ships are not generally comprised in our registers, but if the description were good, the premium would be the same.

3992. Is there any difference made at Lloyd's between the insurance of a ship of a large tonnage of 1,200 tons, and the insurance of a ship of 400 tons?—I do not think there is any difference; some would prefer the large one, and some the small. I have heard the large ones objected to on account of the great number of men on board, and the accidents happening in consequence.

3993. You conceive it would be as well, or perhaps better done upon a ship of 400 or 500 tons as upon a ship of 1,200 tons?—I think it would be quite as well.

3994. Would the underwriters make any difference?—I do not think they would.

3995. Is there any objection made to the Company's ships on account of the particular regulations to which they are subjected, that they are obliged to be at the disposal of the Company, whatever may be their voyage, in case of their

requiring it?—Insurances done by them are done subject to the regulations of the Company, but I am not aware that the premium is any higher in consequence. Mr. *John Simpson.* 18 March 1830.

3996. Is not the insurance upon a Company's ship out and home to China 4 *l.* 10 *s.*?—I never heard of such a premium; I have seen 6 *l.*

3997. Do you insure against fire-risk as well as sea-risk?—Certainly; what I have mentioned includes all risks.

3998. How long has your firm been established in London?—I have been 30 years in it; 24 a partner.

3999. And you have been the greater part of that time engaged in the insurance of ships to India and China?—Yes.

3400. Have you been in the habit of insuring ships from Liverpool to India?—Yes.

3401. Has the premium been the same as upon the English ships?—The premium to India and back has varied in comparison to the goodness of the vessel. Upon class No. 1, I have done them from Liverpool to Calcutta and back at 4 *l.*

3402. Are there not a greater number of ships of class No. 1 insured at four per cent than at five, from Liverpool?—There are.

3403. What are the crews of those ships?—It depends upon the tonnage.

3404. Are not the Company's ships to China held to be one of the best risks that the underwriters have an opportunity of insuring?—Yes, they are.

III.

MINUTES OF EVIDENCE.

22 March to 1st April, 1830.

Lunæ, 22° die Martii, 1830.

WILLIAM WARD, ESQUIRE, IN THE CHAIR.

Thomas Thornely, Esq. called in; and Examined.

3405. YOU are a merchant at Liverpool?—I am.

3406. Have you made it your business to inquire into the means of drawing bills from China upon houses of good credit in England?—I have the authority of a gentleman of great respectability, a merchant, who has lived in Canton for many years, to say, that bills upon London on confirmed credits may be negotiated there with great facility, and to almost any extent. *Thomas Thornely*, Esq. 22 March 1830.

3407. At what rate of exchange?—Equal to 5 *s.* 6 *d.* and two thirds of a penny the tale, and payable at six months sight.

3408. Who is the merchant from whom you received that information?—The gentleman who gave me this information is an American; he gave it to me as a matter of personal kindness, and I would rather not mention his name.

3409. Is he a person that has resided long at Canton?—He has resided at Canton 25 years.

3410. Did he carry on extensive business?—Very extensive business.

3411. Do you happen to know whether the American merchant, to whom you refer, drew bills upon London?—I do not think it was so stated to me.

3412. Have you any communication in writing from this gentleman, stating this fact, and the course of exchange?—I have such a communication.

3413. Have you any objection to give in that communication to the Committee, with the understanding that the name of the writer shall not be made public?—I have no objection.

[*The witness delivered in the same, which was read, as follows:*]

Thomas Thornely, Esq.

22 March 1830.

"The Chinese have no coin except *carx* or *cash*, which are a brass coin, 1,000 of which make a tale. Their accounts are kept in tales, mace, candareens, and cash.

10 cash	- - - - - - -	1 candareen.
10 candareens	- - - - - - -	1 mace.
10 mace	- - - - - - -	1 tale.

72 candareens make a Spanish dollar; and the exchange between China and England is, and will probably continue to be, 4 *s.* per dollar.

"£. 100 sterling would consequently be 360 tales, or 500 Spanish dollars. A tale 5 *s.* 6⅔ *d.*

"My dear Sir,

"Above you have a memorandum of the imaginary coin of the Chinese; they have no real coin except the cash as above mentioned. You will perceive that the value of the tale is 5 *s.* 6⅔ *d.* as near as may be, at the usual rate of exchange between China and England.

"I am, my dear, Sir, your very obedient.

"To T. Thornely, Esq.
"March 16, 1830."

3414. Do you know at what course of exchange the tale is estimated by the East India Company?—At 6 *s.* 8 *d.*, I understand.

3415. Supposing the exchange to be really 5 *s.* 6 *d.* and two thirds, comparing that with the course at which it is estimated by the Company in prime cost for their teas, what would be the difference upon the purchases of the last 10 years?—The difference would be precisely one sixth. You must deduct from the public accounts of the Company to bring it to the current exchange, one sixth of the amount of purchases of tea I have mentioned.

3416. Have you made any calculation of what the amount of that deduction would be?—That deduction would be 3,039,351 *l.*

3417. From what document do you take the quantity of Tea sold by the Company for the last 10 years?—From the Parliamentary returns.

3418. From what document do you take the prime cost of the tea?—From the Parliamentary returns, the whole of it.

3419. Have you prepared a statement, founded upon the information procured from the Parliamentary returns, and the estimated rate of exchange by the Company?—I have; and I believe it to be as nearly correct as it can be.

3420. Have the goodness to deliver in that document.

[*The witness delivered in the same, which was read, as follows:*]

A STATEMENT, intended to show the loss to the Country in the Price of Tea arising out of the East India Company's Monopoly.

The quantities imported and sold for consumption, together with the prime cost and sale amount, are extracted from documents presented by the Company to Parliament.

	£.
Tea exported from Canton from 1818–19 to 1827–28, 285,095,127 lbs. cost - - - - - - - - - - - -	18,236,106
Deduct one sixth, because the tale of China is estimated at 6/8 by the Company, whereas it is only 5/6⅔ - - - -	3,039,351
Total - - - £.	15,196,755

Average cost price 12 *d.* 80 per lb.

Sales of tea in England from 1819–20 to 1828–29, 265,456,040 lbs. amount £. 35,462,245.

Average sale price, 32 *d.* 06 per lb.

Freight from Canton to England, taken at 11 *l.* per register ton. A ship of 500 tons will carry 550 tons of tea of the Company's tonnage of 10 cwt. each, say 616,000 lbs.; 500 tons register, at 11 *l.* per ton freight, makes 5,500 *l.*

If 616,000 lbs. cost 5,500 *l.* then the 1 lb. costs 2 *d.* 14.

		d.
Prime cost of 1 lb. tea per statement - - - - - - - -		12 80
Insurance from Canton - - - - - -	3 per cent	
Agency at Canton - - - - - - -	3 —	
Charges of landing in England - - - - -	3 —	
Supposed profit - - - - - - - -	10 —	
In all - - -	19 —	2 43
Freight, per statement - - - - - - - - - -		2 14
Cost price per lb. landed in England - - - -		17 37

The

	d.	
The Company's actual average sale-price of tea in the last 10 years has been per lb. - - - - - - - - - - - -	32	06
The price, with ample allowance of profit, as shown above, need not have exceeded - - - - - - - - - - - - -	17	37
Leaving a loss to the country per lb. of - - -	14	69

Thomas Thornely, Esq.

22 March 1830.

Which on the quantity of tea consumed in 1828–29, viz. on 28,230,383 lbs, at 14 *d.* 69, makes an annual tax upon the country of 1,727,934 *l.*"

Robert Rickards, Esq. called in; and Examined.

Robert Rickards, Esq.

3421. WILL you state to the Committee how long you have resided in India, at what time, and when you returned from that country?—I have resided in India about 23 or 24 years. I returned in the year 1811. I was on the Bombay establishment.

3422. Have you since your return from Bombay been employed as an Indian agent in London?—I have.

3423. Have you had opportunities, whilst in India and in England, of making yourself acquainted with the trade between England and India and China?—Generally speaking, I have. I never was engaged in trade whilst in India, being in the Company's civil service, but I had opportunities of seeing a good deal of what passed in the trade between India and China; and I have had correspondence with China since I have been in this country.

3424. Have you had any commercial transactions with China since you have been in England?—The house that I belong to corresponds with a house in China, and we have received, as agents, consignments from that house, and carried on a regular correspondence with them.

3425. What is the name of the house?—The name of our house is Rickards, Mackintosh & Company. The house we correspond with in China is Thomas Dent & Company.

3426. Have you not since 1812 paid particular attention to the financial details of the commerce with India, as published by Parliament?—I have always felt a great interest in respect to the financial concerns of India; and when I was in Parliament in the year 1812-13, I had an opportunity then, for the first time, of analyzing the East India Company's accounts, which were laid before Parliament; and from those accounts I derived a knowledge of the state of their finances, which I could not obtain from the limited view I had of their accounts, all the time I was in India.

3427. Do you include the trade with India in that attention which you paid to their financial details?—I do with India and China.

3428. What opinion generally have you formed of the result of the tea-trade carried on by the Company with China?—I formed a decided opinion, in the year 1813, that the received notion at that time of the profits of the Company's China trade being their only means of paying their dividends and interest upon their home bond-debt was altogether erroneous. I was then firmly convinced, and I gave my reasons for the conviction, that on a fair mercantile statement of their commercial operations, the profits, if any, would be found altogether insufficient to pay their dividends in this country; and from the papers which have been printed and laid before the public since that period, I am still further confirmed in that belief.

3429. Do you include the trade to China, as well as the trade to India, in that opinion?—I include in this opinion the trade to China more particularly, because it is now pretty generally asserted and believed to be the only source of commercial profit.

3430. Are the Committee to understand that in the number of years which have elapsed since 1812, all the documents that have come to your knowledge have confirmed your opinion that the trade to China has not been the means of paying the dividends, as is generally supposed?—Certainly.

3431. Are you able to state to the Committee the grounds on which your opinion was then formed, and on which you now continue to hold it?—For the opinion I then formed I must beg leave to refer to a publication of mine in the year 1813, in which I have stated that opinion at full length, together with the grounds of it. Having subsequently had an opportunity of inspecting the printed accounts which have been laid before Parliament for the years 1820 and 1821, I framed from that collection a statement, which I intended for the continuation of a publication

Robert Rickards, Esq.

22 March 1830.

I am now engaged in about India, and which statement I have now before me. It is at the service of the Committee, and will show the grounds of my present belief.

3432. Is that calculation taken from the documents presented by His Majesty's command, dated February 1830?—The whole of it, and every thing I have asserted with regard to India is taken from official documents; I look upon no other source of information to be worth a farthing. The statement I hold in my hand is taken from the official documents laid before Parliament on the 4th of June 1829, and the 14th of May 1824, as well as from the collection of documents presented by His Majesty's command in February 1830.

3433. Will you state to the Committee the result arising from that statement, and the items, which enable you to come to that result?—This statement is for the year 1820–21. I have taken that year, because it is the latest for which all the charges on the China trade are printed or published; at least I have seen no other document containing all these charges subsequent to that year. I believe, however, from an examination of the official tables here referred to, that the result would be pretty nearly the same for either of the preceding or succeeding years, but I have been obliged to confine myself to 1820–21, because I could find no other official document, except that delivered in on the 14th May 1824; that contains a complete view of all the Company's charges on the China trade.

3434. Where does that document appear which was published in 1824?—It is before the House of Commons, and is an official document. It is styled, "Accounts relating to the Tea Trade, &c. of the East India Company," dated the 14th of May 1824; and bears the signature of T. G. Lloyd, the accountant-general at the India House.

3435. Will you state what appears to be the result in the year 1820–21?—[*Witness delivers in the following Statement, which is accordingly read to the Committee.*]

STATEMENT to show the apparent deficiency of means to pay Interest on Bond Debt and Dividends out of the Profits of the China Trade; prepared from Official Documents for the year 1820–21.

	£.		£.
Prime cost of teas, as per N° 32, of "Papers relative to the Trade with India and China," 4th June 1829 - - -	1,874,840	Sale-amount in 1821-22, as per N° 33, of "Papers, &c." 4th June 1829 - - - -	3,566,642
Freight and Demurrage, as per N° 31 of ditto - ditto -	796,540	Balance or deficiency, after paying interest on bond-debts and dividends, both which are by the Act 53 Geo. 3, sect. 57, chargeable on "Commercial Profits" - - - -	518,776
Charges in China and England, as per N° 6, of "Accounts relating to the Tea Trade, &c. of the East India Company," 14 May 1824 - - -	618,849*		
Interest on home bond-debt, as per N° 21, of "Papers relating to the Finances of India, and Trade of India and China," Feb. 1830 - - - -	162,938		
Dividends on stock, as per ditto, of ditto - ditto - -	632,251		
£.	4,085,418	£.	4,085,418

* The charges included in this sum are stated in the official account referred to under the following heads, viz.

	£.
Salaries, emoluments, &c. in 1820–21 - - - -	95,653
Expenses in China - - - - - - -	54,735
Ditto in England - - - - - - -	173,520
Interest - - - - - - - - -	236,287
Insurance - - - - - - - - -	58,654
£.	618,849

N. B.—The deficiency above stated is exclusive of avowed loss on the outward trade to Canton, which the Court of Directors, and their advocates, have alleged to have been carried on to their own detriment for the benefit of British manufacturers. This loss is stated, in the Lords Report on Trade, 1820–21, page 118, at 1,668,103 *l.* for 26 years, averaging therefore 64,157 *l.* per annum.

It is also exclusive of the loss by fire in Canton, in Nov. 1822, which is officially stated to be 380,133 *l.*; and in which it is probable that goods undisposed of, from the season 1820–21, may have been sacrificed.

There are other items in the accounts referred to which would be brought into a general statement of the whole period of the existing charter, and which render it probable that the annual loss or deficiency for the whole period would not be less than that above stated.

3436. Will

3436. Will you explain for what part of the Company's debt this interest entered by you is charged?—It is the whole interest upon the bond-debt in England in the year 1820–21.

3437. No part of the bond-debt in India?—No.

3438. Why do you include the charge for interest of the bond-debt in that account of tea?—By the Act of the 53d of the King, it is, as well as the dividends, expressly chargeable on the commercial profits of the East India Company; and as the China trade is avowedly the only source of profit to them, as their other branches of trade, including the export trade to India and China, are avowedly attended with loss, I have put both into this statement, according to the provision of the Act of Parliament. Being chargeable on commercial profit I know not where else to find it. Neither the dividends, nor the interest, it is obvious, can be paid out of losses.

3439. In the charge for freight and demurrage in that account, do you include the charge for the freight and demurrage of that portion of the Company's shipping that went to India direct?—From the official accounts that are published, I cannot tell what is chargeable to the Indian freight, and what to the China freight, because they are not so distinguished. I have taken this sum from an official document, intituled, "A statement of the amounts paid in England for freight and demurrage, including cost and outfit of the Company's own ships, from 1st May 1814 to the 30th April 1829." I found this account amongst a collection of others, such as 30, 32 and 33, exclusively relating to the China trade. I thought therefore the safest way was to take the sum as I found it in the official account. If this sum does include the Indian freight, I have no means of separating the one from the other with accuracy. I know that the tonnage of the year 1820–21 was only about 6,000 tons to India; and that tonnage, taken at the rate of 10 or 11 or 12 *l.* a ton, which is the rate the Company paid in that year, would only diminish this sum, even if it should include Indian freight, about 60,000 *l.* or 70,000 *l.*; but having no means of stating that on official authority, I thought the best way was to give in this sum, and to explain it. The result, in either case, will still leave a large deficiency.

3440. Are the Committee to understand, that if in that sum the freight properly chargeable for ships to India Proper is included, that will require a deduction to the amount of that tonnage from the amount you debit the tea-trade with?—It may be so; but I only state that upon estimate. I have no official document to proceed upon with reference to this fact.

3441. Will you state what amounts appear to have been received by the Company as the produce of their tea sales for that year?—The sale-amount in 1821-22, as per No. 32 of the papers which I have before referred to, is 3,566,642 *l.* The balance or deficiency then on this account, after paying interest on bond-debts and dividends, both of which are by the Act 53 Geo. 3, s. 57, chargeable on commercial profits, amounts to 518,776 *l.* as particularized in the statement.

3442. Are the Committee to understand that the result of that account shows a deficiency to the amount of 518,776 *l.* on the proceeds of the trade, to pay the charges on trade, the interest of their bond-debt, and dividends in this country?—Certainly in that year, so far as official documents go.

3443. Are those several items entered as you would enter any other commercial accounts?—This account was drawn out, as I stated at the commencement, to support the opinion which I have long entertained, that there was not a sufficiency of profit on the Company's commercial concerns to pay those two items, the interest on bond-debt and dividends on stock. The account may be drawn out in a different form, and I was preparing a different view of the account when I was called in to this Committee. According to that view of the account, if it be balanced after the items of freight and demurrage, it will leave a profit on the China trade of 276,413 *l.* to meet the interest on bond-debts, and the dividends on stock, 795,189 *l.*, whilst the actual deficiency is, as before, 518,776 *l.* The result is in either case the same.

3444. Then that account which you have now given in is only a division of the former account, leaving the interest on the bond-debts and the dividends on stock separately?—Yes; and showing, according to either statement, what I have always contended for, that the profits are inadequate to the payment of those two items.

3445. In comparing the prime cost in the year 1821 with the sale-amount in 1821–22, do not you observe that the prime cost is estimated upon a quantity of 28,545,000 lbs. of tea, and that in the sale-amount there are only 25,493,000 lbs.,

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leaving a difference of about 3,000,000 lbs. of tea?—I do; and I adverted to that at the time. With a view of ascertaining what could be the cause of that difference, I cast up the columns of Nos. 32 and 33, and I find that the sum total of difference amounts to nothing more than what a private merchant would consider as a fair allowance for wastage and loss of weight upon consignments of this description; viz. five per cent. It is probable, therefore, the difference may be occasioned by wastage, for the sums total of these columns will, with this allowance, be found nearly to correspond; or it may be one year's consumption of tea, which the Court of Directors are always required to have on hand by Act of Parliament, the total difference of the two columns being only 29,329,859 lbs.

3446. In stating the profit of any one particular year, ought not you to take that deduction into account?—Certainly not; because the differences I have adverted to will go on from year to year throughout the whole period of the two statements; and in as far as these quantities (exclusive of wastage) may be found to consist of stock on hand, they are carried to a separate account.

3447. Do you consider the allowance you have made more than the average wastage which would be allowed by merchants trading in the article?—I consider it a fair allowance.

3448. Do you think that 3,000,000 lbs. is a fair proportion of wastage?—No; I have taken five per cent as the proportion of wastage for the *whole* period. Either that or the amount of one year's consumption, which the Company are obliged to have always in hand in their warehouses, will make the two columns nearly to correspond.

3449. In stating the profit and loss of particular years, ought not you to take that into the account?—I should close my account as a merchant with the monies received and expended, that is, with the transactions of the year;—I believe every merchant would do the same. I would beg it to be understood, that I do not give in this statement as a perfectly accurate one, because the official documents do not admit of it; I only give it in as a confirmation of that opinion which I have uniformly held, that there is not a sufficiency of commercial profit in the Company's concerns to pay those two heads of charge, and I think that this statement, whatever adjustments may be required with regard to certain items in it, clearly proves the fact.

3450. As you have added up the columns for a number of years, have you also taken an average of the amount of profit or loss in those years?—No, there are no means of doing it from official documents;—and, as I have said before, I would not trust to any thing but official documents.

3451. Then that account is made up by you in the best manner you can, from such public documents as are before the House of Commons?—It is.

3452. Have you made any inquiry as to the prices of tea at Canton, and the prices at which the tea has been sold here?—I have. I am in the habit of receiving information on that head in our correspondence with China, and from the regular price-currents which are transmitted to us.

3453. Have you prepared any estimate or comparative table of those prices for any one or two years?—I have prepared a statement for the same purpose for which, as before mentioned, I had prepared the other statement, namely, for publication, to show what the same quantity of teas purchased in China at the Chinese prices would amount to, and the prices for which they can be imported into this country by an individual merchant, who would charge himself with all the ordinary charges upon consignments of this description; and this is compared with the prices which have been charged on the Company's teas for the same period.

3454. Will you have the goodness to read that statement, and show what result you come to by that mode of calculation?—

[*The witness delivered in the following Statement, which was read, as follows:*]

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" STATEMENT of the probable cost at Canton of the different qualities of tea necessary to be imported for the supply of the United Kingdom for one year, in the proportion both as to qualities and quantities of the teas imported in the year 1828–29, as particularized in the printed official papers presented by His Majesty's command, February 1830; showing also the average price at which they could be disposed of in bond, so as to remunerate with a fair mercantile profit the merchant and ship-owner, giving to the latter 10 *l.* per ton freight, and to the former 18 per cent profit, after paying freight, insurance, commission, brokerage, and charges of warehousing, with allowance for loss of weight, &c.

	Lbs.	*Tales.*	*£. sterling.*	*d.*
Bohea - - -	3,778,012	at 14 p' pecul	110,191	at - 7 p' lb.
Congo - - -	20,142,783	22 –	923,215	11 –
Campoi - - -	284,197	22 –	13,025	11 –
Souchong - -	601,739	28 –	35,101	14 –
Pekoe - - -	131,281	42 –	11,487	19 –
Twankay - - -	4,101,845	22 –	188,005	11 –
Hyson Skin - -	213,993	24 –	10,698	12 –
Hyson - - -	1,014,923	45 –	95,149	1/10 ½ –
Gunpowder - -	645	60 –	80	2/6
Lbs.	30,269,418	Cost -	£.1,386,951	av. 11 p' lb
Freight - -	30,000 tons	at 10 *l.* p'ton	300,000	
Insurance - -	3 p' cent -	- - -	41,608	
Commission -	2 ½ p' cent -	- - -	34,673	
Cost, with freight, insurance and commission £.			1,763,232	or 1/2 p' lb.

" In the above calculations the Spanish dollar is taken at 4 *s.* The rate of exchange at Canton was even lower last season, as many bills were drawn at 3 *s.* 10 *d.* and 3 *s.* 11 *d.* per Spanish dollar at six months sight. The prices are a fair average; and it should be observed, that the price-currents from Canton, dated in February and June in the last year, quote several of the different sorts of tea, at from 15 to 25 per cent lower than the prices on which these calculations are founded.

" The statements here submitted furnish an opportunity of comparing the prices obtained for teas by the East India Company during the present charter with those at which they may be imported by private merchants.

" It appears by the Parliamentary documents, that the average price of the sale of tea at the East India House in 1828–9 was 2 *s.* 3 *d.* (97) per lb. in bond. These calculations show that the same tea may be imported into this country at a cost of 1 *s.* 2 *d.* per lb., and sold at 1 *s.* 6 *d.* per lb. in bond, yielding at the latter price to the merchant and ship-owner an ample profit, and giving an average price of tea-duty paid of 3 *s.* per lb. instead of 4 *s.* 8 *d.*, the price which the Company's average of last year gives.

" It must also be remarked, that the average of 2 *s.* 3 *d.* (97)* per lb. is taken for the last year at the lowest of 15 years, while the average of the present charter is 2 *s.* 9 *d.* (92) * per lb.; and at these rates the sale value of the Company's tea stands as follows:

* These rates are taken from N° 42, p. 124, of the Papers relating to the Trade of India and China, February 1830.

	£.	£.
" First.—Sold by the East India Company, 1828–9, 30,269,308 lbs. of tea, a' 2 *s.* 3 *d.* (97) per lb. in bond, is - - -		3,527,659
Duty a' 100 per cent on - - - - - - -	3,234,076	
Ditto - 96 d° - - - - - - - -	281,839	
		3,515,913
Total value of tea-duty paid in one year - - £.		7,043,572
Assumed price taken in this statement: 30,269,508 lbs. of tea, average price of 1 *s.* 6 *d.* per lb. in bond, is - - - - - -	2,270,213	
Duty a' 100 per cent. - - - - £. 136,407		
Ditto - 96 d° - - - - - 2,048,453		
	2,184,860	
Total value, duty paid, by this statement -		4,455,073
Additional amount paid by the country for tea in one year, in consequence of the East India Company's monopoly - £.		2,588,499

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"Secondly.—But if the average price of the present charter be taken at 2 *s.* 9 *d.* (92) per lb., it will appear that the same quantity of tea has, under the Company's system, cost the country annually more by 4,091,107 *l.*, (as per statement below) than would have been expended on this commodity if allowed to be imported by individuals:"

30,269,508 lbs. of tea, at 2 *s.* 9 *d.* (92) per lb. in bond, being the average price during the present charter		£. 4,278,090
Duty at 100 per cent on	£. 4,028,090	
Ditto - 96 - d°	240,000	
		4,268,090
Total value of tea-duty paid in one year		8,546,180
Assumed price taken in this statement:		
30,269,508 lbs. of tea, average price of 1 *s.* 6 *d.* per lb. is	2,270,213	
Duty at 100 per cent on £. 136,407		
Ditto - 96 - d° 2,048,453		
	2,184,860	
Total value, duty paid, by this statement		4,455,073
Total difference in one year - £.		4,091,107

The following exhibits the probable profit of the merchant on the assumed average price of 1 *s.* 6 *d.* per lb. in bond:

	lbs.	£.
Shipped in China	30,269,508	
Loss of weight and allowance, 5 per cent	1,513,475	
	28,756,033 a' 1/6,	2,156,709
Charges of warehousing, &c. 3 per cent	£. 64,701	
Brokerage, ½ per cent	11,009	
		75,710
Net proceeds		2,080,999
Cost, as per other side, including freight, insurance and commission		1,763,232
Leaving net profit (or 18 per cent) - £.		317,767

3455. From what document or authority have you taken the prices which you have set down in that statement as the prime cost of the teas at Canton?—From prices-current in China, and from correspondence on the subject with agents and merchants there.

3456. Are they the prices of the first, middle, or lower quality of teas of each kind?—They are the prices of all the different kinds of tea sold at the Company's sales in 1828–29; nine different kinds of tea.

3457. How do you know that those prices are the prices of teas of the same quality with those purchased by the Company's servants in China?—They are the prices, and the only prices, quoted in the price-currents.

3458. Are you in the habit of receiving regular price-currents from Canton?—Yes, regularly. I could also state, as a further confirmation of the fact, that some of the private tea-trade of the last year passed through my own hands, and I know that it was to the full as good as the Company's.

3459. From what documents have you taken your estimate of the average sale of the Company's teas?—From No. 42, p. 124, of the "Papers relating to the trade of India and China," February 1830.

3460. Are the Committee to understand, as the result of the statement which has now been read, that if the tea imported by the East India Company in the last year had been imported by private merchants, allowing a freight of 10 *l.* per ton, and 18 per cent profit, the country would have been supplied with the same quantity of tea, and of the same quality, at a less sum by 2,588,499 *l.* than what they have paid to the Company?—I have not the least doubt of it.

3461. Do you consider that that would have been without any loss to the revenue, or paying the same amount of revenue to the Government?—Certainly not.

3462. Is your statement of the average price on which you have founded the calculation of tea, with regard to the duty, taken from the documents which you have mentioned?—It is founded upon the average price of tea for 15 years, as stated in the before-mentioned document, No. 42.

3463. Are the Committee to understand, that if that trade, which has been carried on by the Company for 15 years, and assuming the average price given by them, had been carried on by private individuals, that the public would have paid less during each of those years to the amount of 4,000,000 *l.*, which you have stated?—Provided 30,000,000 pounds of tea were sold in each year.

3464. Has not half of that sum which you state to have been paid by the public more than under your calculation would have been paid if the trade had been carried on by private individuals, consisted of duty to the Government?—Certainly; one half of it, or nearly so.

3465. Are the Committee to understand that you have made in that account all the usual commercial charges for freight, warehouseing, brokerage, wastage, and that after those allowances the merchant would have received his 18 per cent profit clear?—I have.

3466. In that calculation which you have made, you have estimated the greatly-reduced sale-price of the tea, occasioning thereby a great loss in the amount of revenue, the duty on tea being an *ad valorem* duty; have you considered how that loss of revenue which would, on that calculation, take place if the trade was opened, could be supplied to the government?—That circumstance struck me immediately upon preparing the former statement; and as I thought it would be desirable that the revenue should at all events be provided for, I prepared another statement, to show how I think, at least, that object might be effected; I have that statement here, which I had intended also for publication, and which I will deliver in.

[*The Witness delivered in the same, which was read as follows:*]

"A STATEMENT, exhibiting the amount of duty which would be levied on the teas as sold by the East India Company 1828–29, if the scale of American duties given in page 49 of the papers ordered to be printed by the House of Commons, 4th June 1829, were adopted; showing also what would be the amount, if the importation reached to one third more than the present supply.

——	Imported 1828-29.	American Duty, per lb.	Sterling Amount.	Supposed Importation of One third additional.	American Duty.	Sterling Amount.
		s. *d.*	£.	*lbs.*	*s.* *d.*	£.
Bohea - -	3,778,012	– 6	94,450	5,037,000	– 6	125,925
Congo - -	20,142,873	– 12 ½	1,049,107			
Campoi - -	284,197	- -	14,801			
Souchong -	601,739	- -	31,340	28,213,000	– 12 ½	1,469,427
Pekoe - -	131,281	- -	6,837			
Twankay -	4,101,845	1 2	239,274	5,754,000	1 2	335,650
Hyson-skin -	213,993	- -	12,482			
Hyson - -	1,014,923	1 8	84,576	1,353,000	1 8	112,750
Gunpowder -	645	2 1	67	862	2 1	90
lbs.	30,269,508	£.	1,532,934	40,357,862	£.	2,043,842

"By these calculations it would appear that the present importation of tea of 30,000,000 pounds and upwards would only produce a duty, at the American rate, of 1,532,934 *l.*, while the existing *ad valorem* duty may be calculated to produce 3,515,000 *l.* If it is estimated that an increase of importation to the amount of one third, in addition to the present quantity (say 40,357,000 pounds) be taken at the American duty, it amounts to only 2,043,000 *l.*, a sum still very short of the duty now produced. It may however be presumed, that the consumption would be increased one third; and it may be desirable that nearly the same amount of revenue may be secured as is now produced. In order to effect this, it will be more simple to fix a rated duty than to fix an *ad valorem* one. Indeed difficulties will occur

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at the outports in levying the latter, while by the adoption of a rated duty there could be no difficulty in the matter. The rates at which these duties may be fixed are as follows:

	Rated Duty.	The Duty payable on the Teas sold at the Company's Sale, 1828-9.
	s. d.	s. d.
Bohea - - - - - - -	1 – per lb.	1 6½ per lb.
Congo - - - - - - -	1 9 –	2 3¾ –
Campoi - - - - - - -	- - -	2 9 –
Souchong, and all other black tea, except Pekoe - - - - - - -	- - -	2 10¼
Twankay - - - - - - -	1 9 –	2 5½
Hyson skin - - - - - - -	- - -	2 3¾
Young Hyson - - - - - - -	2 8 –	none.
Hyson - - - - - - -	- - -	4 1¾
Gunpowder - - - - - - -	- - -	6 6½
Pekoe - - - - - - -	- - -	3 9¼

"Annexed are the calculations, showing the amount of duty at the above rates, on a presumed importation of about 40,000,000 pounds.

	Importation 1828-9.	With One third additional.	Rated Duty.	Amount of Duty.
	lbs.	*lbs.*	s. d.	£.
Bohea - -	3,778,012	5,037,000	1 – per lb.	251,850
Congo - -	20,142,873	28,038,000	1 9 –	2,453,325
Campoi - -	284,197			
Souchong - -	601,739			
Twankay - -	4,101,845	5,754,000	1 9 –	503,475
Hyson skin -	213,993			
Hyson - -	1,014,923	1,528,000	2 8 –	237,080
Gunpowder -	645			
Pekoe - -	131,281			
lbs.	30,269,508	40,357,000	£.	3,445,730

"With duties fixed at the above rates an addition of 10,000,000 pounds of tea may be added to the consumption of the country, at a cost of 6,472,000 *l.* for the entire supply of 40,000,000 of pounds, duty paid. The cost to the country of 30,269,000 pounds of tea in 1828-9 was 7,043,000 *l.*; but were it not for the difficulties which are likely to be created at the out-ports in continuing an *ad valorem* duty, the 40,000,000 pounds of tea, which would probably be imported, would yield about 3,000,000 *l.* in revenue, without any alteration in the present *ad valorem* duties, notwithstanding the greatest proportion of the teas would sell under 2 *s.* per pound, and be therefore subject to only 96 per cent. This is a case without the bounds of probability, as in the event of the out-ports participating in the trade to China, a rated duty on tea must necessarily be substituted for an *ad valorem* one."

In making this calculation, I have assumed that there will be an increase in the importation to the amount of at least one third additional, if the price is reduced; for tea is now become almost a necessary of life, and therefore I have thought it safe to take the import and sale at forty millions of pounds, instead of thirty.

3467. Are the Committee to understand the result of that statement to be this, that if the quantity of tea required for the consumption of England were imported by private merchants at the rates at which you conceive they can do it, the community would receive 40,000,000 of pounds of tea for 6,000,000 *l.* sterling, instead of paying 7,000,000 *l.*, which they now do, for 30,000,000 of pounds of tea, the Government receiving at the same time the same amount of duty as they did before?—Certainly, with the trifling difference between the amount of duty stated in this table, and the present estimated amount of Government duty. The difference is only 70,183 *l.*

3468. Are those calculations founded upon the supposition that there will be no increase of price in Canton of the teas, although there will be an increase to the amount

amount of one third in the consumption?—They are founded upon the prices which I have here taken, averaging 1 *s.* 6 *d.* per pound.

3469. What grounds have you for supposing that 40,000,000 lbs. of tea can be purchased in Canton at the same rate of price for which we now purchase 30,000,000 lbs.?—If there was a sudden demand for an increased quantity of tea, no doubt the price of tea, like the price of every other article under similar circumstances, would be raised for a time, but only for a time. The Chinese have the means of producing much larger quantities of tea if there was an effectual demand for it, and in proportion as they produced larger quantities the price would again fall.

3470. Then you conceive that if the increase in the demand to the amount of 10,000,000 of pounds were a progressive increase, that additional quantity might be furnished without any advance in price?—Without any material advance.

3471. Do you not consider that that increase in quantity would chiefly be in the lower-priced teas of China?—Certainly in the Congo and Bohea.

3472. Are those the kinds in general use in China?—All the higher classes in China who use tea drink the finest tea, and therefore the demand for the finer sorts being of limited extent as well in China as in this country, it is probable the increase would take place in the lower qualities.

3473. Do not the lower classes usually drink tea in China?—Yes; and their consumption, as far as it goes, would of course be in the lower descriptions of tea.

3474. Therefore you suppose the additional demand of 10,000,000 lbs. out of the whole consumption of China, would not, in a few years, occasion any great difference in price?—If the demand went on gradually increasing, I should think that it would not occasion any considerable increase of price; but even if it did occasion an increase of price at first, I conceive that as the supply would in the course of a very short time meet the demand, the price would again fall to its natural level.

3475. You have made a statement respecting the revenue to Government, on the supposition that 40,000,000 of pounds would be consumed, have you made any calculation how the revenue would be paid, supposing there were no increase beyond the present amount of consumption of 30,000,000 lbs.?—You might do it by collecting the present rates of duty as a rated duty.

3476. Do you consider that the same amount of revenue might be collected as a rated duty, which is stated in No. 41 to be the present amount of duty?—I have never made any calculation of it; but from a superficial view of this account, I should say, certainly. Taking the sale-prices of that account, or 100 per cent on the sale-prices, as a rated duty upon the different descriptions of tea mentioned therein, you would of course realize the same amount of revenue, or 3,527,659 *l.*

3477. Are you aware of the quantity of tea which has been exported from Canton during the last four or five years, in each year, by the English and Americans together?—I have no actual account of it, but it is stated in these official tables. The statement, No. 27, contains an account of the exports from Canton by the Americans intended for European consumption; and the account, No. 26, contains the amount of their exports for American consumption. These two statements, added to the amount of the Company's exports of tea, would show the actual amount exported.

3478. Have you made any computation of the average price per pound which the Company pays for their tea at Canton upon the whole quantity?—I have no statement to show it, neither have I seen any official document from which I could accurately frame it. I think the information can only be supplied with strict accuracy from the India House.

3479. Do you happen to know whether the prices quoted in the Canton price-currents are regulated by the prices given by the East India Company for their tea, they being of course the principal purchasers in that market?—Being the principal purchasers in the market, their purchases will of course very materially influence the prices at which the tea is procured; but there are other purchasers in the market, the Americans and the Indian merchants, and their demand for tea will of course have its effect in influencing the price; but I should consider the Company's demand for tea to have the chief influence upon the actual price of the tea quoted in the price-currents.

3480. Then you consider it a fair datum to consider the cost of the East India Company's teas to be the prices stated in the Canton price-currents?—Certainly, I do.

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3481. Are you aware whether the Company's contract prices for tea are those stated in the price-currents?—I think that information can only be procured with the accuracy to be depended upon from the records of the India House itself.

3482. From your intercourse with persons carrying on the China trade, are you aware of any peculiar difficulties in the way of merchants trading with China?—Private merchants from this country are shut out of China altogether. The merchants from India are allowed to carry on a trade between India and China; but that trade now, and the consequences of that trade, are most materially obstructed by its not being entirely thrown open. The great obstructions experienced in this case by the Indian merchants may be considered a question of national importance. The removal of those obstructions would be attended with immense advantages to this country.

3483. By whom are the obstructions interposed?—By the system; that is, by the operation of the Chinese monopoly, which is sanctioned by Act of Parliament.

3484. Do you mean by the East India Company, or by the Chinese?—I mean to say that obstructions arise out of the system itself.

3485. Is it the system adopted by the Chinese, or the system as regulated by this country?—I mean the whole system, and what is commonly called the Chinese monopoly particularly.

3486. In China or in England?—Altogether both in India and in China.

3487. Do you mean arising from the laws of England, or the laws of China?—It arises out of the peculiar manner in which the trade is carried on, and the operation of the system altogether upon the trade.

3488. Will you explain in what way the system throws difficulties in the way, both as regards the Chinese government and the Company's establishment?—I have long been of opinion that the Company's trade has been a source of great injury, not only to India but to this country also; and likewise to have involved the Company themselves in all their present difficulties and encumbrances. I have no hesitation, indeed, in saying, that I consider it, from official accounts which have been printed and published, to be the sole cause of every fraction of their debt, both at home and abroad. In other respects it cannot be disputed now-a-days, that it must be very injurious to any country for the sovereign to be carrying on trade on his own account in his own dominions. Such injury is experienced, or at all events was experienced, to very considerable extent during the whole of the time I was in India. The Company, from having no active circulating capital of their own, are obliged to be supplied with funds for the purchase of their teas in China from their Indian revenue. A large portion of the revenues required for the China trade is taken in kind on the western side of India; in other words, they take a large quantity of cotton, or used to do so when I was in Bombay, from the districts belonging to themselves, where, as sovereigns of the country, they consider themselves entitled to one half the gross produce of the soil as a land-tax; that one half, in the cotton districts being taken in kind, the ryots or cultivators were compelled to surrender the other half to the Company's agents at a certain price; but this price was not a price agreed upon at the time of the purchase between the Company's commercial resident and the cultivators. The price was fixed, after the cotton had been embarked on board the Company's ships, and sent off to China, by a committee, consisting of the judge of the district, the collector of the district, and the commercial resident, who met for the purpose of settling the price which the ryots were to receive for the remaining half of the cotton, and that price they were obliged to take. The price was often below that which they could have got from private merchants. This was formerly the case on the western side of India, and is probably the system of the present day. Besides which, I have reason to know that whenever the Company go into the market for the purchase of any commodity in India not under their immediate control, the knowledge of their being purchasers has the effect of immediately raising the price of the article; and it raises it so materially in the Indian market as to render it extremely difficult for the merchants in India to make remittances to this country. It often happens, therefore, that they cannot send home goods at the market price of those goods, except at a dead loss; and their legitimate commercial operations, as regards the intercourse between India and China, are thus materially obstructed, which I take to be entirely owing to the system now prevailing of the Government being traders in their own country. It would be a vast advantage to the Indian merchants if they could be allowed to make their remittances by way of China; but there they

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are obstructed also; and there the obstruction is, as it appears to me, of great national importance. If the trade of China were perfectly free, the merchants of India would increase their consignments to China, and from the sale-proceeds of those consignments they might be enabled to purchase the bills of the British traders on England at a reasonable rate of exchange, and thereby make remittances upon favourable terms; at present they are precluded from this advantage; the consequence is, that the returns for their consignments to China are necessarily sent back to India; they go back to India partly in bills granted by the supercargoes in China on the India governments at a low rate of exchange, and partly in bullion and goods. During the years 1828–29 the exchange from Canton on Calcutta was but 200 rupees for 100 Spanish dollars, whilst the par of exchange is 207 rupees for 100 Spanish dollars. The same thing took place with regard to the exchange on Bombay; private merchants could only get bills at 212 rupees for 100 Spanish dollars instead of 220, the real par. The consequence of this obstruction is, that private merchants are under the necessity of carrying back such goods in small quantities as will sell in India, and of late years, particularly as the Company's treasury in Canton has been shut against bills on this country, of returning to India with large quantities of bullion. There is scarcely a ship that has lately come from Canton to Calcutta that has not brought back dollars and Sycee silver to a great amount. Instead, therefore, of the ordinary advantages of legitimate traffic, the Indian merchants are actually deprived of those means of remittance to England which they are most desirous of accomplishing, and through which the national interests would be greatly promoted. In this way there is, as I conceive, a most important obstruction thrown in the way of the commercial intercourse between India and England, by the restrictions on trade, arising out of the system of the Company's China monopoly.

3489. How does that interference affect the dealings with the Chinese at Canton?—The dealings with the Chinese at Canton would be, proportionally increased if the trade was thrown open, because it would encourage greater exports from this country, and larger exports from India to China, if the Indian merchants had the means of remitting to England, which they are now in search of, and in which they are so much obstructed.

3490. Do you consider the exports from China as sufficient to afford the means of remittance for all the exports which it is now so difficult to obtain?—I have no doubt that from such a country as China almost any amount might be provided for the purpose of returns to this country, to India, and to other parts of the world.

3491. On what authority do you form that opinion?—I ground it upon the belief that such a country as China, with all its varieties of soil and climate, and occupied by a naturally industrious population, cannot fail to produce all the articles which it now yields in far greater quantities than it now does.

3492. Have you had any communication or information enabling you to form an opinion of the anxiety of the Chinese to extend their trade?—I believe that the Chinese are a perfectly commercial people. Wherever the Chinese have been established, in Sincapore, in Java, in Borneo, and in the other eastern islands where they are settled in great numbers, they are found to be the principal traders, and the most industrious people in the country. I therefore take the Chinese, generally speaking, to be a perfectly commercial people, and exceedingly anxious to extend their commercial dealings, in spite of any restrictive regulations that may be imposed upon them by the Chinese government.

3493. Have you had any specific examples brought to your notice of the desire on the part of the Chinese in other ports than Canton to open a communication with English merchants?—Yes. I have in my possession an extract of a letter from an European merchant who had visited China, to his friend and correspondent in Calcutta. It is dated Canton, 19th September 1823; and the extract is as follows:

"The Manilla people only are allowed liberty to trade to Amoy, which would have been granted to us could we have waited. A mandarin followed us *seven miles from the port of Amoy to entreat our return*, which however our plans would not admit of. We experienced civil treatment, even from the mandarins of rank, and the complaisance of the inhabitants generally, formed an agreeable contrast to the haughty demeanour of the lowest here (Canton). The single circumstance of foreigners not being denied women (as they are most rigidly here, Canton) speaks volumes. No foreigner is allowed to remain after the departure of his ship. As far as we could learn no charge similar to measurement-duty is levied on foreign ships. The government revenue is derived from an export-duty, which the foreigner pays on his export-cargo; but this duty appears to be not fixed; and I suspect the injudiciousness

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diciousness of the mandarins in increasing it beyond bounds is the cause of the discontinuance of the trade by the Manilla people. It is probable that, with a view to bring it back the mandarins would now be more reasonable. They seemed to say that the Hong merchants of Amoy are pretty much in the bankrupt situation of those here (Canton). They inquired much for most of the articles from the eastern isles imported in their junks; and also for rice, *for which they rely mainly on Formosa*; but we could form no idea of the price to be obtained for them. The prices of the European articles we saw in the shops were not so much above the Canton rates as was to be expected. I am very keen for an adventure to Amoy, for the purpose of opening new channels for opium in that quarter, the chief mart of its consumption; but it is too weighty a concern for us to undertake singly; and I have contented myself with writing to Manilla for information, and with sounding our friends there on the subject. As you have already adventured in a Chinese bottom, you will, I hope, give a lift to our plans also. The foreign trade in junks is not contraband in China, since the accession of the present family (about 1660). It is *connived at by the government, and is, I believe, even licensed at Amoy.* I do not see why a junk could not load goods at Amoy or elsewhere, as if for a foreign port (Manilla, Batavia, &c.) and afterwards trans-ship them to a foreign vessel waiting in the neighbourhood.

3494. What in your opinion would be the result of opening the trade with China to Englishmen generally?—I believe it would have the effect of extending the commercial intercourse between this country and the East most materially. I ventured in the year 1813 to predict that that would be the consequence of opening the trade to India. That opinion is most abundantly proved by No. 40 of the "Papers relating to the Finances of India," which is contained in the collection presented by His Majesty's command in February 1830, and now on this table. It was stated at that time, (1813), by the advocates of the Company, that it was impossible to increase the export trade to India. I ventured to entertain a different opinion; and I refer to this statement, No. 40, in support of the opinion I then gave. That statement shows that on the average of 16 years the Company's exports of goods to India were only 38,56,50 rupees per annum, whereas the average of 16 years exports by private individuals from Great Britain is 1,56,96,078 rupees. The treasure exported by the East India Company averages 12,15,294 rupees, and by individuals 24,40,113 rupees. The total of the exports by the East India Company is therefore 50,71,344 rupees, and by private individuals 1,81,36,191 rupees. If the whole of the exports by individuals from foreign Europe and America contained in that statement be added to the English exports, it will give a total of 2,82,54,537 rupees by individuals, against 50,71,344 rupees by the Company. Thus the trade to India is proved to have been capable of increase, which I then maintained would be the case; and though this increase exceeds even my expectations, considering all circumstances, still, great as it is, I have a most perfect conviction, that if the trade to China was also opened, there would be a far greater increase of the exports from this country than is exhibited in this statement.

3495. Are you not aware of the peculiarities of the Chinese government with regard to trade, and that a comparison cannot therefore be fairly made between India and China as to any expected increase?—I know that the Chinese government have imposed restrictive regulations upon the foreign trade of their own country; but I know at the same time that these regulations are completely set at nought by the commercial spirit of the people.

3496. Are you aware that the Chinese government prohibit entirely the exportation of silver?—They do.

3497. Have you any means of stating to the Committee what quantities are annually exported notwithstanding those prohibitions?—I have already stated in a former answer that large quantities of silver were necessarily exported from Canton to Calcutta, and to Bombay, in consequence of the low rate of exchange prevailing there, and the impossibility of the Indian merchants getting a remittance for their funds to this country *via* China. I have in my office in the city various accounts of remittances of bullion to Bengal and Bombay in different seasons; but just previous to my coming down to the Committee I fell in with a Canton price-current and register, which gives the following as the exports of bullion from Canton to Calcutta and Bombay in the year 1828. The exportation to Bengal in dollars was 2,169,837. In Sycee silver, 19,210; South American silver, 55,273: total, 2,244,320 dollars. The exportation to Bombay in dollars, Sycee and South American silver, 3,423,659 dollars. Total exported, 5,667,979 dollars. The importations of dollars in the season 1828 are stated in the same register to amount to about 2,304,800; and the circulation of Company's bills on the supreme government

ment of Bengal, would probably not amount to more than 17 lacs of dollars, I copied this information out of the printed register, dated 26th February 1828.

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3498. Are you not afraid that if the trade were thrown open by removing the Company's present exclusive privilege, there might be danger of interruption to the trade with Englishmen?—Not the least. I am clearly of opinion that we have means, and more powerful means, of controlling the trade with China than the Chinese government itself.

3499. On what do you found that opinion?—From the printed official statements before the public. It appears in one of them, viz. No. 29 of Papers, &c. 4th June 1829, that out of 15,000,000 of imports into Canton in one year, 11,000,000 were of the article of opium. Now the Chinese, although it is a prohibited article, are in the constant habit of using it, the higher ranks as well as the lower ranks. They cannot therefore do without it. It is well known that those persons who are in the habit of using opium cannot leave it off; the Chinese would therefore require importations of opium to the same extent as formerly; they require also large supplies of dollars; for it is a curious fact, as stated in the register I have before quoted, that the importation of dollars into China in the year referred to was only 2,304,800, when the exports to Bombay and Bengal amounted to above 5,600,000. In this state of export and import it is therefore clear that China must be in constant need of a supply of dollars, which, in the case supposed, it could only procure from private traders. The Chinese also require to be supplied, as stated in the extract of the letter I gave in, with rice from the island of Formosa. It is understood that two at least of the provinces on the eastern side of China are deficient in that commodity, and that if those supplies were stopped it would go a great way to create disturbance in the country. Although I do not anticipate any such obstruction as is contemplated in the question, (for I have no idea that the Chinese would have the least objection to the opening of the trade,) still if measures of coercion should be rendered eventually necessary, the employment of two or three cruizers upon the coast would effectually prevent the entrance of those very important supplies into China, which I have above enumerated; the consequence of which would be great distress to the Chinese themselves, and in all probability immediate concessions and advances for a renewal of friendly intercourse, even if they had been previously disposed, under the orders of their own government, to obstruct it. Let it also be recollected that they would have, if the trade were stopped, large supplies of tea on hand; and if they could not sell those teas to English merchants, I should be glad to know to whom they would sell them. In this respect our means of influencing the trade are also great, for a stoppage of the tea-trade would be attended with incalculable distress to a vast mass of population in the tea districts; it is therefore to the full as much their interest to sell as it is ours to buy. But if all these means and powerful incentives were to fail, we have still a hope left, for it is well known by those gentlemen who have lived in the eastern islands for some time, that the Chinese merchants established in those islands would at any time contract with foreigners upon the spot to supply any quantity of tea, and of any quality that might be desired. If therefore English ships were prohibited going to China, I conceive that supplies of tea and other Chinese articles might just as easily be got from Sincapore, or Java, and other ports in the eastern Archipelago, as they can now from China itself. These then are the grounds of my belief that, under all circumstances, we have the means of controlling the trade with China, even more effectually than the Chinese government itself; for when the Chinese merchants and the mass of the community find that they have an interest in carrying on certain branches of trade, they will do it, as is sufficiently manifest in their importation of opium, and export of silver, in spite of the most severe laws that can be enacted by their own government.

3500. Are you of opinion that it is as much the interest of China to trade with us, as it is of England to trade with China?—I think so, if not more.

3501. In what way do you consider that a few English cruizers would so influence the Chinese government as to oblige them to open the trade, if, by any circumstance, it was once interrupted?—I allude to that as an extreme case, and of course only to be resorted to in the event of its being found indispensably necessary, or justified by some previous act of aggression on the part of the Chinese authorities. I am far from thinking it one that is likely to happen; but if it should be necessary to control the government of China by force, I think, that by the means I have suggested, you might effectually accomplish the intended object.

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I repeat, however, that I do not anticipate you ever would be obliged to have recourse to any such measure of hostility; for my firm belief is, that the Chinese would gladly hail the approach of free traders, and receive their goods, giving theirs in return, without the least difficulty.

3502. Have you known of any circumstance obliging the Chinese government to make terms with individuals interrupting their trade?—I am not acquainted with any that I could speak very decidedly to; I have heard of such occurrences, but the public records are probably the best authority on this head.

3503. Do you suppose it would be necessary to export bullion to China for the purchase of tea, silks, and other articles which would be required by the extended trade you contemplate?—Certainly not, no more than it is now necessary to export bullion to India. The trade would soon fall into channels which would render it easy for British merchants resorting to China to furnish themselves with funds, by giving bills to Indian merchants, or their representatives in China, or to agents on the spot; and funds would thus be raised to any required extent upon reasonable terms, such as would enable the trade to be carried on in all probability with advantage to both parties.

3504. Is it your opinion that the operation of the trade at Canton would be equally beneficial to India as to England, in promoting the general commerce between all the three countries?—The advantage that would result to the Indian merchants from making the trade to China perfectly free, and by thus promoting British exports, appears to me to be absolutely incalculable.

3505. Is not the export of goods to India at the present moment limited by the difficulty of obtaining returns?—Most certainly; in the way I have explained.

3506. Is it your opinion that the exports from China to England, and to the rest of the world, which might be available by English merchants, would remove that difficulty, and consequently increase the general trade, not only from China, but from England to India?—It would in my opinion increase it incalculably. I cannot express my conviction on this head too strongly.

3507. And these are the grounds on which you consider such advantages would accrue to both India and England from a free intercourse with China?—Yes.

3508. Do you know how the Company pay their investments in China, as it is evident from the official returns that they do not send out manufactures equal to purchase their investments?—I have always been of opinion, ever since I had the first opportunity, in the year 1812–13, of analyzing the Company's accounts, that their trade is entirely supplied by their revenues; and that so far from their commerce ever being of the slightest aid to the territorial concern, it is the territory that alone supports and upholds their commerce. They could not in my opinion cary on trade without the support of the revenue. Their supplies of investments, both from India and China, are invariably furnished by Indian revenues.

3509. Is it your opinion that the government of India, under these circumstances, would be maintained better by the Company not being traders, either to India or to China, than as they now are?—I am quite sure that it would. I have no doubt that it would be found, upon a careful examination of the official accounts which have been laid before Parliament, that there has been a surplus revenue from the territories of India, to a very considerable amount, for the last 35 or 36 years at the least, which accounts I have had an opportunity of inspecting. That surplus revenue would have enabled the Company to carry on the political concern without any foreign aid whatever. I consider, on the other hand, that the commerce of the East India Company is the sole cause of all their encumbrances and debts. I avail myself with pleasure of the opportunity which the question affords me, of adding my unreserved belief, from a careful examination of the records of the India Company, which have been printed and circulated in four large folio volumes, for the use, I believe, of their servants abroad—from the ability displayed in those records, and the anxious disposition uniformly expressed to promote the welfare of their territorial possessions, that the East India Company will be found to be by far the best organ or instrument that His Majesty's Government can employ for the future political administration of that country; and I do lament most sincerely that they should ever think it necessary to mix up a commercial character with their political one, inasmuch as I, as conscientiously, believe their commerce to be their bane.

3510. Will you be prepared at a future period to submit to the Committee a statement showing how far the revenues of India are in your opinion, from the documents laid before Parliament, adequate to maintain the government of that

country without the aid or interference of commerce?—Yes, I am perfectly prepared to prove it now.

3511. You have stated, that by the Company going into the market in India as merchants, considerable derangement and increase of price takes place at various places where their investments are purchased: are you able to state what effect the sales of those investments have on the general state of commerce in England when they take place?—As far as regards their interfering with the purchase of goods in India, I have already stated that whenever the Company's agents are known to be in the market it invariably has the effect of running up the prices from 15 to 30 per cent. The price of cotton, for example, I have known to be run up by this cause. Since I have left India I have also known of many instances, from correspondence I have carried on with India, where the same effect has been produced in other articles. I remember, upon one occasion, that when the Company first entered into the indigo trade the government of Bengal were afraid of making their purchases openly for the Company's investment. They employed an agent upon the spot to make purchases for them. It was very soon found out by the resident merchants of Calcutta that there was a Company's agent in the market, and the price was run up in the course of about eight or ten days from 190 rupees a maund to 230, 240 and 250 rupees a maund. I happen to know of one house in Calcutta, that having made a purchase of a considerable quantity of indigo at 190 rupees per maund, sold it in a few days afterwards for 230 to 240 rupees a maund, and thus realized upon the resale of it, in consequence of the Company being in the market, between three and four lacs of rupees before they had had time to pay for the original purchase.

3512. Would not that rise in price be occasioned by any other great customer coming into the market?—By such a customer as the East India Company.

3513. Do you know any persons trading to India who have the capital at command that the East India Company have, to go into the market and purchase so largely of any commodity?—I know of no capital that the Company possess except what they obtain annually from their revenues in India, but that capital is so enormous that it is impossible for any private merchant to compete with them.

3514. Can you state any effect that has been produced on the markets in England by the Company's sales of their large purchases?—In some instances it may affect the markets here, but the Company's sales in general of their goods have been very fairly made, and I would not say that it affects the markets here materially, although in some instances it may have done so.

3515. You consider the effects to be principally in their making their purchases in India?—That is the great cause of derangement, and which is absolutely ruinous to the commercial intercourse between the two countries.

3516. Are you able to state how far that principle may apply to their purchases in Canton?—Their purchases in Canton are made, as I stated before, by supplies, in a great measure, which are forwarded from India in goods to Canton for that purpose; those goods are either taken in kind from the revenues of India, as I have before explained in respect to the west of India, or else they are purchased in the public market, as in Bengal, at a price far above that which the private merchants would give; and as long as the China monopoly is continued these injuries will also be perpetuated.

3517. You refer now to the proportion of goods which the Company purchase in India?—Yes.

3518. How does that affect the purchase of tea?—Upon a fair mercantile statement of the concern it would certainly affect the out-turn of the speculation.

3519. Do you mean to say that much of the Company's revenue is collected in kind, in Bombay?—I know that it was when I was in India, in the cotton districts belonging to the Company on the western side of the Peninsula. They were constantly in the habit of taking their proportion of the cotton produce, or half of the gross produce in kind.

3520. Was not that always a very small proportion of the cotton exported from India to China?—Not a small proportion. I know that in Bengal they purchase cotton, but I have letters from gentlemen in Calcutta, stating that the prices in the year 1821 of cotton to the East India Company was about 25 rupees per maund, when it was procurable by private merchants at the rate of 15. This was ascertained from the circumstance of the Company having sent out orders to Calcutta, that the commanders and officers of their ships should only be allowed to take cotton to China on condition of taking it from the Company at the prices which it cost them. On another year it was stated that the cost was in the same way to the

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captains and officers of the Indiamen 18 rupees, when the current market-price of it in Calcutta was 14.

3521. What, in your opinion, would be the effect of opening the trade to China to the English generally; would it give the British merchants any advantage over the Americans and Dutch, or other people, for the supply of Europe?—A very great advantage over all other nations; and that advantage would arise out of the facilities which I have before mentioned, that would be mutually granted to each other by the Indian and the British traders. It would also give a great advantage to British merchants, in as far as it would enable them to supply all our colonies, South America, and even the countries of Europe, with Chinese produce, which they could do then upon better terms than the Americans, or the French, or the Portuguese, or Dutch, or any other nation that has been in the habit of trading to China. The advantages of opening the trade to China, both to England and to India, as I before said, appear to me to be quite incalculable.

3522. Are our colonies principally supplied with Chinese produce by other countries?—The Americans now participate very largely in the carrying trade; but I have had conversations myself with Americans on this very subject, and their apprehension is, that if the trade to China were once thrown open to British merchants, they (the Americans) would be entirely thrown out of the market. There is doubtless some cause for this alarm, from what has already taken place in India. In consequence of the degree of freedom given to the trade in India, since 1813, British merchants have completely excluded the Americans from that country; it is therefore no unreasonable conclusion that the same effect would be produced by opening the trade to China. The Americans are at all events alive to it as a probable result.

Martis, 23° die Martii, 1830.

H. W. Masterson, Esq.

Henry William Masterson, Esq. called in; and Examined.

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3523. I BELIEVE you are vice-consul at Rotterdam?—I am.

3524. You do not receive any salary?—No; I have never received any remuneration from any one on that account.

3525. Are

TEA TRADE TO

	IMPORTATIONS.					DUTIES ON
	Netherland Vessels.		United States Vessels.		TOTAL Imports.	By the Netherland Vessels.
	Number of whole Cargoes.	Quantity.	Number of whole Cargoes.	Quantity in whole or broken Cargoes.		
		¼ chests.		½ chests.	¼ chests.	
1818	6	37,381	8	53,154	90,535	- - 10 per cent ad valorem - -
1819	1	6, 9 48	11	52,981	59,929	If imported direct: Bohea and low Congo, 5 guilders 6 cents per 100 Neth^{d} lbs. - } 7/16^{ths} of a penny per Eng. lb. Other sorts, 10 guilders 12 cents - - } 15/16^{ths} of a penny. If imported indirect: Bohea and low Congo, 16 guilders 19 cents - } 1 ½ penny per Eng. lb. Other sorts, 32 guilders 38 cents - - } 3 pence.
1820	3	14,029	12	59,343	73,372	
1821	1	6,279	2	10,934	17,213	

3525. Are you engaged in trade?—For the last 15 years I have had the superintendence of a commercial concern at Rotterdam.

3526. Is that commercial concern upon an extensive scale?—It has been upon an extensive scale.

3527. Have you directed much of your attention to the tea-trade in Holland?—I have for the last ten or twelve years past.

3528. Can you exhibit any view of the tea-trade, and for what period?—I can lay before the Committee a statement made up by myself, containing a view of the Netherlands tea-trade for the last 12 years, distinguishing the quantity imported by the Dutch, and by the Americans, the only other parties who have been engaged in the trade. About half a million of quarter chests of tea have been imported in that period, giving an average annual importation of about 41,000 quarter chests.

3529. Does that include the whole of the Netherlands?—It includes Belgium and the whole of the Netherlands. The statement exhibits about three fifths of the trade in the hands of the Americans, and two fifths only in the hands of the Dutch, during the whole of that period. The statement shows also the duties and prices; the duty varies from five eighths of a penny per English pound to four pence and five eighths, according to circumstances, bringing it into English money and weights.

3530. Is that an *ad valorem* duty?—No; there was an *ad valorem* duty of 10 per cent in 1818, when this statement commences, but some alteration was then made with a view of favouring the Dutch flag, which has not, however, had that effect; indeed the duties are so low, that the difference between importations by Dutch and foreign flags is only about an English penny in the lower prices, and on the higher prices it is nothing.

3531. Are there any duties paid upon importations in foreign bottoms into the Dutch ports?—For the lower sorts of teas, instead of five eighths of a penny by a Dutch vessel, it is one penny and five eighths by foreign vessels, and there is a duty of a tenth upon English vessels; that is a general additional duty upon all articles imported in English vessels.

3532. Will you have the goodness to deliver in the statement you have prepared?—

[*The witness delivered in the same, which was read, as follows:*]

THE NETHERLANDS.

IMPORTATION.	PRICES (Duty paid), Taken about the middle of each Year.	
By Foreign Vessels.	In Dutch Money, Per ½ Netherland lb.	In English Money, Per English lb.
- - no difference - -	- - Black, 11 to 51 stivers, per ½ N. lb. (low Bohea to fine Souchong.)	Black, /10 to 3/10
	Green, 23 to 75 stivers - (common Skin to fine Hyson.)	Green, 1/9 to 5/7 ½
- - - - - -	Black, 10 to 50 stivers -	Black, /9 to 3/9
	Green, 16 to 56 stivers -	Green, 1/2 ½ to 4/2 ½
No difference - - -	Black, 10 to 42 stivers -	Black, /9 to 3/2
	Green, 17 to 54 — - -	Green, 1/3 to 4/
- - - - - -	Black, 10 to 40 stivers -	Black, /9 to 3/
	Green, 16 to 42 — - -	Green, 1/2 ½ to 3/2

(*continued*)

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	IMPORTATIONS.					DUTIES ON
	Netherland Vessels.		United States Vessels.		TOTAL Imports.	
	Number of whole Cargoes.	Quantity.	Number of whole Cargoes.	Quantity in whole or broken Cargoes.		By the Netherland Vessels.
		¼ chests.		¼ chests.	¼ chests.	
1822	2	8,987	4	19,037	28,024	If imported direct, and in whole Cargoes:
1823	–	—	4	26,192	26,192	Bohea and low Congo, 7 guilders per 100 N. lbs. - - - - } 5/8ths of a penny per Eng. lb.
1824	1	6,811	2	6,212	13,023	Other sorts, 12 guilders - - - - } 1 1/12th of a penny.
1825	1	6,364	5	30,860	37,224	If imported indirect, in broken Cargoes:
1826	6	37,764	1	8,004	45,768	Bohea and low Congo, 18 guilders - - - } 1 5/8ths of a penny per Eng. lb.
1827	4	23,583	–	4,455	28,038	All other sorts, 34 guilders - - - } 3 pence.
1828	4	29,834	3	16,838	46,672	Imported direct, in whole Cargoes: As before.
1829	3	21,034	1	5,358	26,392	If imported indirect, in broken Cargoes: Bohea and low Congo, 27 guilders, per 100 N. lbs. - - - - } 2 ½ pence per Eng. lb. All other sorts, 51 guilders - - - } 4 5/8ths pence.
	32	199,014	53	293,368	492,382	

N.B.—THE different sized packages of tea have all been brought to quarter chests in the above Table. The ¼ chest taken at 66 Eng. lbs. net, makes the average annual import, 2,700,000 lbs. The average consumption is *estimated* at 2,600,000 lbs.

Rotterdam, the 8th March 1830.

3533. What is the population of the Netherlands;—Six millions; two millions for Holland, and four millions for Belgium.

3534. Do the Belgians consume much tea?—Comparatively with the Dutch, very little.

3535. Is any part of the tea brought into Holland exported?—A portion is exported, but a very small one, as Hamburgh competes with Holland in the exportation to the interior of Germany. Some portion of tea goes from Holland even as far as Poland; it is supposed with the intention of smuggling it into Russia.

3536. Does any of it find its way up the Rhine?—Yes; some green tea to Germany, and some black tea to Poland, for the purpose I have mentioned.

3537. Do the Dutch consume more black or more green tea?—The Dutch consume more black than green teas. Some provinces, Friesland for example, more green than black. Brabant, which is supplied from Holland, as it imports very little tea, takes chiefly green tea from Holland. Some very fine Hyson and Gunpowder tea is supposed to find a particular demand, at present, in Holland for Brabant, for the consumption of the numerous English settlers in Brussels and that quarter, who take the higher-priced teas.

3538. Has the consumption of teas in Holland been increasing since 1818?—

It

IMPORTATIONS.	PRICES (Duty paid), Taken about the middle of each Year.	
By Foreign Vessels.	In Dutch Money, Per ½ Netherland lb.	In English Money, Per English lb.
- - - - - -	Black, 16 to 48 stivers -	Black, 1/2 ½ to 3/7
	Green, 22 to 56 — - -	Green, 1/8 to 4/3 ½
	Black, 15 to 42 stivers -	Black, 1/1 ½ to 3/2
Bohea and low Congo, 18 guilders, per 100 N. lbs. - 1 5/8ths penny per Eng. lb.	Green, 25 to 51 — - -	Green, 1/10 ½ to 3/10
	Black, 16 to 45 stivers -	Black, 1/2 ½ to 3/4 ½
All other sorts, 34 guilders - - 3 pence.	Green, 27 to 50 — - -	Green, 1/11 to 3/9
	Black, 16 to 55 stivers -	Black, 1/2 ½ to 4/1 ½
	Green, 28 to 50 — - -	Green, 2/1 to 3/9
	Black, 10 to 45 stivers -	Black, /9 to 3/4 ½
- - - - - -	Green, 19 to 46 — - -	Green, 1/5 to 3/5 ½
If direct, in whole Cargoes:	Black, 10 to 40 stivers -	Black, /9 to 3/
Bohea and low Congo, 18 guilders. 1 5/8ths penny.	Green, 18 to 48 — - -	Green, 1/4 to 3/7
All other sorts, 34 guilders - - 3 pence.	Black, 9 to 45 stivers -	Black, /8 to 3/4 ½
If indirect, and in broken Cargoes:	Green, 15 to 42 — - -	Green, 1/1 ½ to 3/2
Bohea and low Congo, 27 guilders 2½ pence.	Black, 10 to 48 stivers -	Black, /9 to 3/7
All other sorts, 51 guilders - - 4 5/8ths pence.	Green, 17 to 50 — - -	Green, 1/3 to 3/9

N.B.—FROM 1/10th to 7/10ths of a penny must be added to the foregoing *specific* duties on tea, for the *general* augmentation of the duties of all goods, which varies from year to year, and has fluctuated between 13 and 15 per cent.

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It has been stationary; it is supposed to be about 2,400,000 pounds Dutch, about 2,700,000 pounds English; the consumption is supposed to be about 40,000 chests. The importation is about 41,000 chests.

3539. Can you describe the quality of the tea consumed in Holland?—From my own knowledge I will not take upon myself to speak of the quality of tea. I have brought with me samples of a cargo of tea which is now selling at Amsterdam, and which is considered by the trade in Holland as a good cargo, and may be considered a fair specimen of tea exported from China by foreigners; these samples are of tea which will have been sold on the 17th instant.

[*The Witness produced the same.*]

3540. Have you any means of knowing whether that is the same quality, or inferior in quality to that which is consumed in England?—From my own knowledge I cannot pretend to speak, but I have a case in point of a person in Holland having required some tea, about a year since of a particular quality, good Souchong, which was not, at that time, to be obtained in Holland; he sent a sample of what he required to a merchant in England; I have the letter with me which he received in reply, and I will produce it; it is dated London, the 2d of May 1829, and it is as follows:—"My broker has just tasted the sample of tea referred to in yours of

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the 18th ultimo, and pronounces it superior to any we have here at the present moment; some equal to it may arrive by the ships daily expected, and if so he will report to me, and it shall be communicated to you, and for that purpose the remainder of your sample will be retained; it would be worth here, I mean as a legal importation, 4 *s.* 2 *d.* a' 4 *s.* 4 *d.* per lb." The grocers shop-price for that tea in Rotterdam was 42 stivers, duty of 3 ½ stivers paid, or at the rate of 2 *s.* 10 ½ *d.* per English pound, duty off.

3541. Was there much of that tea, a sample of which was sent to this country, in Holland?—There was none of it; I presume that the person in question had five or six quarter chests of it, a portion of a parcel he had bought from the cargo of the American ship Washington.

3542. Was it select tea?—I know nothing of it further than that he had bought some of the tea, and wanted some more.

3543. Do you happen to know whether it arose from the teas in England being two years old that the dealer of Rotterdam could not obtain tea of a similar quality to the sample he sent over?—I never heard any detail further than this letter exhibits, which he put into my hands at the time.

3544. Do you mean to state that it is the course of trade for merchants in Holland to send for tea to England in that way?—No, it is quite an uncommon thing; I never heard of such a thing before. It was the grocer's own idea that he could get the tea he wanted in that way.

3545. Do you mean to say 4 *s.* 4 *d.* is the average price of Souchong at the Company's sales?—No; it was a particularly good quality. The letter states that there was no quality so good here at the time, but that the price would be 4 *s.* 4 *d.* for that quality, the price of which was 42 stivers in Holland.

3546. Is not the Souchong a black tea?—It is.

3547. Is that of the highest quality?—It is not the highest price in Holland; we have Souchong in Holland as high as 56 stivers, but there was none of that particular description in the market.

3548. Can you give the Committee any idea of the relative prices of tea in England and Holland?—I can give no better idea of the relative prices than by this instance; the prices in the table I have delivered in show that tea has been very stationary in value; there has been very little fluctuation for 10 years; 8 *d.* has been the lowest price, and 10 *d.* the highest for the lowest quality of Bohea; this is the wholesale price, duty paid.

3549. Have you an account of all the descriptions of teas?—To make up the table I have delivered in I have taken three descriptions of black tea, Bohea, Congo and Souchong, and two descriptions of green, Hyson-skin and Hyson. The prices have varied during 12 years, for black tea, from Bohea to the best Souchong, as follows; the lowest rates have been from 8 *d.* to 3 *s.* 4½ *d.*, and the highest from 10 *d.* to 4 *s.* 1 ½ *d.*

3550. Then the fluctuation has been for the lowest quality from 8 *d.* to 10 *d.*, and for the best quality from 3 *s.* 4 ½ *d.* to 4 *s.* 1 ½ *d.*?—Yes, that has been the greatest fluctuation in 12 years; the lowest price, I find, of Hyson-skin is 1 *s.* 8*d.*, duty paid, and the highest price for that lowest quality of green seems to be 2 *s.* 1 *d.*, and the highest for the best quality 5 *s.* 7 ½ *d.*

3551. Is the Bohea the lowest description of tea?—It is.

3552. Is the best of the Bohea equal to any description of Congo, or not?—No, I am not aware that it is.

3553. The Congo is the next quality, is any of that equal to Souchong?—No; at least the prices indicate so.

3554. Can you state the price of tea sold retail in Holland, and compare that with the price of tea sold wholesale?—The retail prices as compared with the wholesale prices in Holland, show a very great difference in the low qualities, but in the higher qualities the retail prices differ but little from the wholesale prices. In the lower qualities of course the shopkeeper, whose profits are very great, is obliged to allow of its being apparent that he is making 50 per cent profit, because he can mix no tea of an inferior price with that which is of the lowest quality; but in the higher prices of tea, he invariably sells at nearly the prices which he buys at wholesale, because he mixes inferior teas with those superior qualities, and because he has a considerable profit in the allowance of draft and tare upon the purchase of them; but Bohea tea, of which the prices are at 8 *d.* and 10 *d.* wholesale, is about 16 stivers a pound retail, 1 *s.* 2 ½ *d.* per English pound.

3555. Have you any information with respect to the proportion which the retail price in Holland bears to the wholesale price in England?—The letter I have produced states 42 stivers to be the retail price in Holland of tea, which was stated to be worth 50 *d.* English wholesale; now the difference between 50 *d.* per pound, the English wholesale price, and 42 stivers, the Dutch retail price, is equal to 32 per cent.

3556. Does either of the prices you have stated include the duty?—I have left out the amount of duty in both cases: the retail dealers profits are included in the Dutch price.

3557. Are the prices you have named as existing at Rotterdam the wholesale prices, including the profit of the retail dealer?—For a single quarter chest.

3558. And the prices in this country are the wholesale prices as they exist at the India House for large quantities?—For a lot, I presume; I am not aware of the previous correspondence that passed between the parties in this case; but a few chests only could have been wanted.

3559. You have stated the duty to be from five eighths of a penny to 4 *d.* and five eighths; and in the wholesale price you have given of the different qualities of tea you have reckoned the duty paid; can you state what difference it would have made if you had taken off the duty in those different cases?—It is matter of calculation, and could be easily ascertained, as it depends upon the quality of the several sorts of tea.

3560. Are the Committee to understand, that in calculating the price, including the duty, you are to deduct five eighths of a penny from the lowest quality, and 4 *d.* and five eighths from the highest?—You may take it as a general rule to deduct 4 *d.* and five eighths from the highest quality without exception; but the duties upon the lower depend upon the nature of the importation, whether by Dutch or foreign vessels.

3561. Can you describe the character and constitution of the trading company in Holland?—The company was established in 1824, for trade to all parts of the world, with a view to promote the trade of the country generally, and Netherland manufactures particularly;—the capital originally amounted to 37,000,000 guilders, that is about 3,000,000 *l.* sterling; it has been reduced to 27,000,000 guilders.

3562. Has that reduction been occasioned by losses in trade?—I believe it has been reduced by losses considerably more than that; but they have reduced their nominal capital to that extent by buying up some of their bonds in the market.

3563. Do they trade very extensively?—They commenced trading to all parts of the world; but they have found it unprofitable in most branches, and they have restricted themselves to a few at present.

3564. Has their trade in tea been a losing or a gainful concern?—It has been a favourite object, particularly with the King of the Netherlands, that the Dutch should import teas themselves under the Dutch flag, and with that view they have persevered in the trade. Since 1825 they have imported about 100,000 quarter chests, and they are understood to have lost about 25 tonnes of guilders by it; that is about 200,000 *l.* in the tea-trade.

3565. How much per cent is that upon the capital employed?— To answer that it would be necessary to ascertain what the 100,000 chests cost. Suppose we took it at 30 stivers per pound upon the average, it would bring the value to 800,000 *l.*, and the loss would be about 25 per cent upon the trade with China. In this year 1830, they send no ships to China, and it is generally understood in Holland that they will be guided in doing so again or not by the decision which England may come to with respect to English merchants being permitted to interfere in the trade to Holland in tea; in the event of their being so permitted, it is said the Company will not persist in it.

3566. Supposing the tea-trade to be thrown open to English merchants, do you imagine that the Dutch company will continue the trade or not?—It is reported by persons who state that they have it from the Directors themselves, that the Company are induced to lie by this year to see what is the result of the present inquiry here; that they have struggled to great disadvantage against the Americans, but that in the event of British merchants being enabled to enter on the trade, they will give up all hopes of continuing it.

3567. Is it understood what are the grounds on which that disadvantage exists of carrying on the trade in Holland?—It is understood in Holland to be caused by their having nothing of any value to export to China.

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3568. Is it conceived then, that the result of an open trade between England and China would be to lower the price of teas in Europe?—It is no doubt the opinion in Holland, that as the Company cannot compete with the Americans, who have a free trade, they would be still less able to do so with the English, who probably for the sake of merely obtaining remittances for their exports from Hindoostan to China, if not for their exportations, manufacturers from England would be able considerably to undersell the Americans. The Dutch, as well as the merchants of other nations, have latterly given up the hope of importing teas or colonial produce to any profit upon the cost-prices, and are aware that they can merely import to advantage as remittances for exports.

3569. Is not the Dutch Company limited in its exportations to the manufactures of Belgium?—They have exported from Holland very little latterly to China, and hardly any Netherland manufactures; they have even sent rice to China from Java. With the permission of the Committee I will read an extract from a discourse of M. Schimmelpennick, the president of the Dutch trading company. In addressing the Commissioners in June 1828 he says, " Le résultât de nos expéditions pour Canton en 1826, qui ont été réalisées en parti durant le cours de l'année 1827, vous sera détaillé dans les pièces jointes au bilan. Vous y observerez, Messieurs, que, quoique ces derniéres expéditions se soient lisées avec beaucoup moins de perte que les précédentes, ce commerce, si particulièrement enjoint à la direction, lui a de nouveau couté des sacrifices trop grands pour, qu'à la longue, elle puisse se trouver autorisée à y exposer la société."

3570. Are not the Dutch Company obliged to export Belgian manufactures?—It has been proposed to them, as I understand, to follow the American plan, and to export English manufactures, but they are not able, by the constitution of their establishment to do so; they are restricted to their own manufactures.

3571. Supposing they were allowed to export British manufactures to China, do you not conceive that they might carry on the China trade with a greater prospect of advantage than they can do now, being restricted to the export of Belgian manufactures?—There seems to be no doubt of it, since the Americans carry on the trade; and it is understood in Holland that the Americans are only enabled to bring tea to Holland at present prices, by the manufactures they import to China. The Dutch are aware that the English of course could export their own manufactures to as great advantage as the Americans; but they suppose also that many of the English East India houses have great funds always lying at Canton, for which they are anxious to find remittances, and are heedless whether the goods they invest them in sell for cost-price or not, so long as they get a good return of the profits already realized by their Indian trade to China, which the funds lying there represent; upon which principle trade, in all colonial produce, has been carrying on for a considerable time.

3572. Would the English merchants have a considerable advantage in carrying on that trade, inasmuch as it is England which produces the article most in requisition in the China market?—It is understood so in Holland; and that they have that further advantage in the exports of raw cotton and other goods that go to China from Hindoostan.

3573. Are the Dutch Trading Company prohibited from sending manufactures of other countries besides England?—They are; the society was established for the encouragement of Dutch trade and manufactures.

3574. Supposing the trade between England and China to be thrown open, are you not of opinion that a considerable proportion of the whole tea-trade of the world would centre in England?—My own opinion, and the opinion of most people in Holland is, that if the Dutch government were not excited by any particular jealousy of England, that is, if they allowed the English to remain upon the same footing as the Americans now are, that both the Americans and the Dutch would cease to supply Holland with tea, and the whole supply of Holland, whatever that is, would be furnished by British merchants.

3575. Should you not say that the chief supply of the Continent of Europe would go through this country?—I should suppose so.

3576. Do you know whether it is probable that any portion of the tea consumed in the United States of America would under those circumstances be first sent to this country?—I should not wish to give an opinion upon that. I have no sufficient information upon that subject.

3577. Are there any private merchants carrying on the tea-trade in Holland at this moment?—The history of the tea-trade in Holland since the expulsion of the

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French in 1814 is as follows. In 1815 a monopoly of the trade was granted to a Dutch company, "to prevent," as the preamble of the royal decree stated, "the trade falling into the hands of foreigners." In 1817 that company was dissolved. In 1818, when the table I have given in commences, the Americans took the lead in the trade. In 1822 an alteration in the duty was made to favour the importation by national vessels. In 1825 the trading company entered on it; and in 1826 Dutch importations again became considerable, but were still unprofitable, and were again abandoned by private Dutch merchants, but have been continued by the company till now, when the Dutch altogether have abandoned it.

3578. Are you aware of a large quantity of tea being purchased at the East India House in London, and exported to Holland in the year 1814?—I have no knowledge of it; I was not in Holland at that time; I went there first in 1815.

3579. Do not the Dutch Company at the present moment pay very large freights?—The last freights of the Dutch Company were 310 guilders per last of 21 quarter chests, and 15 per cent primage; that would amount, at 66 English pounds per quarter chest, to about 5 *d.* per pound English; but it is subject to the deduction of any outward freights they can make for the ships.

3580. Can you state what is the expense of navigating their ships, as compared with ours?—I have no means at hand of establishing an accurate comparison.

3581. Supposing the Dutch Company to carry on that trade, and not to have manufactures that they can export, would not almost the whole of the freight fall upon the tea?—Clearly.

3582. In the case of a trade carried on by private individuals, is it or not the fact, that at the present moment a great portion of the freight upon an article imported, such as tea, would fall upon the manufactured goods which were exported from the country into which the tea was to be imported?—Undoubtedly the manufactured and exported article must yield profits sufficiently large to pay the freight-charges, and the difference between the cost-price and the selling price of the article, which appears to be the case by the Americans trade.

3583. So that the tea imported under those circumstances would only be a mean of remittance?—A means of realizing the profit to be made upon exports, which is the case at present, and has been the case for some time past, with coffee and almost every other imported article.

3584. How many months consumption of tea is there commonly in Holland?—Never more than a year's. At this moment we have probably of stocks openly known, three quarters of a year's consumption; but there are many private speculators, who hold old teas which may complete the stock to a year's consumption. The Americans never hold stocks. There is not 1,500 quarter chests of American tea in Holland.

3585. Is not the fresh tea better than that which has been kept for some time?—So much so that the American cargoes that come indirectly from America, are on that account not of so current sale as those imported direct from China.

3586. Have you ever heard of any tea grown in the Brazils being sold in the Dutch market?—I never heard of any being sold in the Dutch market; but I have had it reported to me by a broker, that he had seen black tea grown in the Brazils, which was equal in flavour to any that came from China. The tea-taster of the Dutch trading company at Canton was employed to examine the tea attempted to be cultivated in Java, and he found it to be worthless, and the gardens were rooted up: but the broker alluded to reported to me, that the sample sent to him of the tea growing in the Brazils was excellent, and he wished through me to get information relative to the further cultivation of this tea, but I have had no means of informing myself further on the subject.

3587. Is not it cultivated by Chinese in both places?—I presume it is.

3588. Do you know whether it is cultivated to any large extent in the Brazils?—I do not know.

3589. Have you ever seen any of the tea brought to Russia?—The house I belong to was induced to order samples of tea from Moscow, a twelvemonth ago, with a view of seeing whether it would answer in Holland; but the teas which were sent from Moscow appeared to be of a different growth, and different quality entirely from the teas we are used to in this part of the world, and were not at all suited to the Dutch taste.

3590. Do you know what part of China it came from?—No; but I should presume from the geographical position of Russia that it came from the opposite

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extremity of the Chinese empire to that from which we obtain our supply. We obtained from a correspondent at Moscow the samples in question, and the tea was very fine to look at, but it had a totally different taste to what we are used to.

3591. Do you conceive that that tea is suited to the European consumption?—It would not do for us at all in Holland, and certainly our tea is much the same as yours.

3592. Does not the difficulty in supplying an outward cargo from Holland materially enhance the price of importation?—Certainly.

3593. Would not the economy arising from the existence of a facility in supplying an outward cargo reduce, in an extraordinary degree, the expense of importing tea?—Certainly.

3594. Are dollars easily procurable in Holland?—Without difficulty; but generally from England. When we have had occasion to send out dollars we have procured them from England.

3595. In what proportion do dollars supply the means of importation for tea?—The greater part, when the trade was in the hands of private merchants; as to the Company, I cannot say.

3596. Are you able to form a comparison between the rate of Dutch freight and the rate of American freight?—I am not able to speak of it from my own knowledge; but I believe it to be much lower than the Dutch; the general impression is, that it is much lower.

3597. What sized ships do the Dutch employ generally?—Generally vessels from 400 to 500 tons.

3598. Are they, in your estimation, preferable to the largest class of vessels of 1,200 tons used by this country?—I cannot say, from my own knowledge; but the Dutch use the smaller vessels because the larger are not suited to their rivers.

3599. What crew would a 400-ton Dutch vessel be manned by?—Twenty or twenty-two.

3600. Do you know the rate of insurance out and home?—It is principally done here; I believe it has been rather high, the Dutch Indiamen having had a bad character; the English underwriters have suffered by them.

3601. Do you know what the rate of insurance has been?—Six guineas, I believe.

3602. Are they armed vessels?—No.

3603. How do you account for the diminution that has taken place in the importation into the Netherlands since 1818, as it appears that in the year 1818 it was about 90,000 quarter chests, and the importation then was considerably larger than it has been subsequently?—If they had gone on importing at that rate of 90,000 chests in a year, it is evident that they would have had too great a stock; the import on the whole has been so as to leave, on an average of the last 12 years, not more than a single year's stock; but if it had been going on at the high rate at which it was in 1818, when the Americans imported 53,000 quarter chests, we should have had much too large a supply.

3604. Does the Dutch trading company possess exclusive privileges?—The principle upon which it originally went was that of possessing exclusive privileges. The establishment of a company of that kind would have been offensive to people whose predelictions, the result of ancient habits, were all in favour of a free trade.

3605. Do not they receive some tea from this country in Holland?—I am not aware of it.

3606. Are you aware whether there is any smuggling of tea from Holland to this country?—I should think not; for this reason; I presume that the measures taken on this side are too effective to admit of it; and we observe on our side, that the smuggling towns of Terveer and Flushing are going to decay, and that smuggling to England in all articles seems to be falling off.

3607. Can you state whether the stock of the Dutch company was at any time at a premium?—It was, soon after its establishment, at 105; it opened at 100; and it has been down to 79 at the lowest. It is now about 94 ½.

3608. Is it conceived amongst the merchants in Holland, that a company so established is the best means by which trade can be carried on?—The establishment of the company altogether is offensive almost to the whole of the people in Holland; they were led to suppose that their manufactures would flourish with the support of that company. But it does not appear that the company have been able

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able to force their manufactures into use abroad; and they have lost a very considerable sum, the amount of which remains yet to be known. The dividend or interest does not afford any criterion of it, that has been always the same; and it is guaranteed by the King.

3609. Are you aware whether the operations of that company have interfered with the regular trade of Holland?—It is considered nearly to have ruined the trade in almost every branch it has meddled with.

3610. Do you consider that the operations of such a company are, upon general principles, exceedingly injurious to the conduct of mercantile transactions?—It is the opinion of the merchants of Holland, generally, that the dissolution of the company would be one of the greatest benefits they could receive; and as the company is daily suffering great losses, hopes are entertained, even by those who are shareholders, that it will not be continued until the expiration of the term originally fixed for its existence, but that it will be dissolved earlier.

3611. Do you know what sum the Government pays to make up the deficit?—I have never heard it mentioned, and I believe it is not known. I do not believe there are any means of ascertaining it. The King has guaranteed that 4 ½ per cent shall be paid, and the shareholders are secure of that annuity; but at the end of the term for which the Company is established it is feared that the losses will have absorbed the whole capital.

3612. How old is that guarantee?—The original guarantee was given in 1824, and it has been faithfully fulfilled; but privileges are given to the Company which were never anticipated in the first instance. The government, naturally, to reduce this outlay of interest, gives advantages to the Company.

3613. Is not the deficit made good out of the King's own private funds?—His Majesty guarantees it; where the money comes from I have not the means of knowing.

3614. Does it appear in the budget in Holland?—No.

3615. Does any apprehension exist that the government will be tired of making up this deficit?—Great hopes of it are entertained; it has been the only hope that the general trade has entertained for a long time.

3616. For how many years is the guarantee?—For the whole term, I believe, 24 or 25 years.

3617. Is not the King a large shareholder in the Company?—He is.

3618. Have this Company any territorial revenue to back them?—Nothing of that kind; they were to be merely upon the footing of ordinary merchants, but they have had great advantages given to them; the government coffee has been given to them at a fixed price, which price was of course intended to be very advantageous to them; that is the coffee which belongs to the government estates in Java.

3619. Is there any monopoly in coffee?—There is coffee which is deliverable only to the government officers; and instead of selling it themselves in the public market, they give it to the Company at a certain price.

3620. Is there any law or regulation in Holland to prevent private adventurers sending ships to China, and receiving back returns?—Not any.

3621. Is it within your knowledge whether any such adventures have taken place?—Frequently, up to 1825; I think private merchants then abandoned the trade entirely. The house I have to do with imported a cargo in 1822.

3622. What was the general result of those private adventures?—Loss.

3623. To what extent?—I cannot say.

3624. Was it 25 per cent?—Judging by the other results alluded to, I should suppose it might be. Our own loss was not any thing like that; it was not an original adventure to China, but the supercargo took the ship there. The teas turned out pretty well, but not so as to induce us to go out again.

3625. Can you inform the Committee whether such trade of private adventurers has been profitable or otherwise?—Certainly unprofitable.

3626. What are the exports to Java?—Wine, Dutch claret, gin, &c., but the quantities trifling; is a misfortune that we have so little of our own goods to export, and if there were not troops to export we should not be able to find any freight outwards; the only hope for the shipowner is to get a hundred men as freight for a vessel to Java.

3627. Is there any regulation in Holland which would prevent the trade to China being carried on by private Dutch merchants in the same manner as it is now done by Americans, that is to say, by sending their ships to a port of England, loading

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them with British manufactures, and carrying them on to China?—There is none; private adventurers might do that undoubtedly.

3628. Can you state why this having been a profitable trade in the hands of the Americans, it might not continue to be so in the hands of the Dutch?—It might undoubtedly be so, I should suppose. It is a singular spectacle to see the Americans do that which the Dutch have the same means of doing if they had the same enterprize and ability for the trade.

3629. Do you not conceive that the Americans succeed in the trade from their being able to buy English manufactures for exportation to China, and that the Dutch fail because they have not permission to do the same?—I certainly conceive that the Americans succeed for that reason, when put into competition with the Dutch company, which cannot buy English manufactures; but there is no reason why the Dutch private adventurers should not carry on a trade in the same way as the Americans, excepting the want of enterprize.

3630. Is there not much more energy in the American character than in the Dutch character?—I believe that is a fact which is historically recognized.

3631. Whereas the Dutch used formerly to have a large share of the carrying trade of the world, is not it the fact at present that the trade has fallen into the hands of the English and the Americans?—The Dutch trade has fallen off altogether.

3632. Is it considered that the interference of the King of the Netherlands as a private merchant is prejudicial to the commercial interests of the country?—It is deprecated by the whole nation.

3633. Is it to be understood, that the injury which has been done to the Dutch trade by the Dutch Trading Company has been in consequence of their great command of capital, or in consequence of their exclusive privileges?—From both; from the government favouring them, giving them the preference of government freights, and the preference of their contracts, and from their great command of capital, coming into the market with such large quantities of goods, with sales, for instance, of 100,000 bags of coffee at once, and telling the trade that there will be such sales at regular times, in Autumn and in Spring, so that the private merchants have little chance with the buyers in the mean time, and the Company also trading at a loss to themselves.

3634. Do you conceive that regular sales of that description, of a very large amount of goods, are injurious to the trading concerns of the country in that particular article?—It has interfered with the private trade of individuals, merchants in Holland.

3635. Does not such a system tend, at one period, to depress prices unnaturally, and at another time to raise them unnaturally?—It prevents the holders of small quantities of property from making sales, buyers of course waiting till the larger quantities come into the market; there is an inactivity in the market till the larger sales come on.

3636. Has it a tendency to derange commercial speculation?—It has appeared so in Holland.

3637. Do the Dutch Company sell their teas by auction?—They sell their teas by auction, and at fixed periods, as they do other goods, in Spring and Autumn; their Spring sale is now taking place; they have put up two cargoes this Spring, 17,000 quarter chests, three or four days ago.

3638. Does much remain unsold at those auctions?—Generally not; the Company have a habit, however, of buying-in. The general traders would prefer that as they have fixed sales they should sell outright all they put up; they think it is more injurious for them to sell a portion, and then keep back the rest.

3639. Is there any fixed rate of advance in the bidding at the auction?—No.

3640. Do you conceive that the Netherlands would derive any advantage, if a complete monopoly of the supply of tea to that country were given to the Dutch Company?—They would have the prices considerably augmented; it would be of advantage to the Company only.

3641. Would it be of advantage to the consumers in Holland?—Certainly not; they get it cheaper from the competition of the Americans; and they imagine that they would get it cheaper still from that of the English, on account of the funds which the English have lying at Canton, seeking remittance.

3642. What is the nature of the auction in Holland by which it is sold?—The trading company sell in lots of 20 quarter chests.

3643. Is the bidding by the fall, or by the rise?—By the rise. The trading company have introduced new conditions of trade, which are not agreeable to private merchants.

3644. Are

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3644. Are they bound by law to put up their teas at the cost-price?—They are not bound to any thing of that nature.

3645. Have you had much means of communication with persons who have been to China?—Of course I have in Holland, with English and others.

3646. Have you ever heard them express any opinion as to the difficulty of transacting business in the port of Canton?—I never heard of the Dutch meeting with any difficulty. The English whom I have seen, who were acquainted with Canton, have been gentlemen from Java chiefly, not trading to Canton particularly; but I never heard from the Dutch of their meeting with any difficulty. I am informed by the gentleman whose brother is the tea-taster to the Dutch Company, that at first they did not get such good teas as the Americans, but that they can now get equally good teas with the Americans.

3647. Have they any establishment at Canton now?—They send their tea-taster there when they send their ships out, otherwise they take him back again to Java during the interval that the ships are away.

3648. Have they any consul or factory there?—I am not informed; I should think not, since they take the individual mentioned back to Java each season.

3649. Do you know the average number of months that it takes to go from Holland to Canton?—They generally reckon that the ships that go one year come back the next; that is, as they send no ships this year, that there will be no Dutch tea next year.

Jovis, 25° die Martii, 1830.

John Crawfurd, Esq. called in; and Examined.

John Crawfurd, Esq.

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3650. YOU are residing here at present as agent to certain parties at Calcutta? I was appointed agent to the inhabitants of Calcutta without solicitation. I am now fulfilling my duty as their parliamentary agent.

3651. Is there a salary attached to it?—There is a very handsome one.

3652. To what amount?—£. 1,500 a year, besides extra expenses, which I do not draw. I think the salary too much, and I have proposed to my constituents that it should be reduced.

3653. Had they previously had a parliamentary agent in this country?—They never had. I am the first.

3654. Is that appointment exclusive of the question now depending before the House of Commons?—It has no view to the mercantile pursuits of my constituents; it is for political questions only.

3655. Do you represent the residents of Calcutta for any thing that you think affects their interests?—I represent the inhabitants of Calcutta generally, whether Europeans or natives.

3656. What number of the inhabitants have authorized you to act as their agent?—The majority.

3657. Do you mean about 300,000 people?—When I say the majority of the inhabitants of Calcutta, I wish to be understood as having stated the majority of those who thought proper to express their opinions, having had an opportunity of doing so. With respect to having stated that it was a majority of half a million of people, or any such number, I never thought of saying so.

3658. Are the Committee to understand that you were appointed by a majority of the inhabitants of Calcutta, as agent for them in any mattersthat might concern their political interests in India, and not as regarded the trade between England and China?—I have no recollection whatever of any mention being made in my instructious, public or confidential, of the China question; but I have no doubt that the China question is also embraced in them, and I will state my reason for saying so: there has been sent to me a printed requisition to the sheriff of Calcutta, to which I think there are 116 signatures of persons of all parties, requesting that a meeting might be called for the purpose of petitioning both Houses of Parliament to remove all restrictions from the India and China trade. The petitions in all probability will soon be sent to me, and I shall then act as the agent of the inhabitants of Calcutta, as far as regards the China trade as well as the Indian trade.

3659. What is the date of that requisition?—To the best of my recollection the 29th of November; the meeting is called for the 15th of December. Of course, there can be no account of such a meeting yet, as the ship that brought this account had an unusually rapid passage.

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3660. Were your instructions transmitted to you, or did you receive them at Calcutta?—They were transmitted to me long after I left Calcutta. I beg again, with great respect, to assure the Committee that I have no object whatever in concealment; I wish that every thing should be known that I am concerned in.

3661. You have resided in different parts of the East?—I resided in various parts of the East for about 19 years.

3662. Will you state where?—In the Upper Provinces of the Bengal Presidency for about five years; in Calcutta for a time, probably in all amounting to about one year; in Prince of Wales Island or Penang about three years, and in Java about six years. I went on a mission afterwards to Siam and Cochin China, which occupied something more than one year. I resided next as resident at Sincapore about three years; and from thence I proceeded to the Burman country. I was appointed commissioner by the Governor-general in the Burman territory; I went afterwards as envoy from the Governor-general to the court of Ava; after which I returned to Calcutta, and eventually to Europe.

3663. Have not you visited some of the other islands?—I visited some of the other islands, but never resided in them; I visited the islands of Bali and Celebes.

3664. Have you ever been in China?—I have not.

3665. Have you had much intercourse with the Chinese settlers in the countries adjacent?—I have.

3666. Where were they residing?—They reside in almost every country that is adjacent to China.

3667. Had you an opportunity of seeing them in those places?—I had an opportunity of seeing them in Prince of Wales Island, Java, Sincapore, Siam, Cochin China, and a few in the Burman country during my mission to the court of Ava.

3668. Can you furnish the Committee with any history of the Chinese emigrants settled in the neighbourhood of China, and an account of the nature of their emigrations?—I drew up a statement of that description, which I have here.

3669. What do you make the number of Chinese emigrants settled in the countries adjacent to China?—The estimate is a very rough one of course, from the very nature of the subject. I make them between 700,000 or 800,000. The greater number of them are settled in Siam and Cochin China, not in the islands.

3670. From your intercourse with those Chinese, do you conceive them to be an intelligent, active and commercial people?—Eminently so. They are a very industrious people in every way; they are a business-like people; their manners more resemble Europeans in that part of their character than they do those of Asiatic nations.

3671. In industry and intelligence do you conceive them to be superior to other Asiatic nations?—For all useful and practical purposes I think they are. There are perhaps a few points in which they are inferior to one or two other Asiatic nations, but those points are of very little moment.

3672. Have you prepared a Statement for the information of the Committee upon the subject of the Chinese emigrations?—I have.

3673. Will you have the goodness to read it?

[*The witness read the same, as follows:*]

A VIEW of the Emigrations of the Chinese to the various Countries adjacent to China.

THE emigrations of the Chinese take place from the same provinces which conduct the foreign trade; viz. Canton, Fokien, Chekien, and Kiannan. Emigrations from the two latter, however, are not frequent, and seem to be confined to Tonquin and the Phillippine islands. The emigrants direct their course to every country in the neighbourhood of China where there is any probability of finding employment and protection; in some countries, however, they are excluded, or restrained, from political motives, and in others, distance, or want of room affords them no encouragement to settle. Like the European nations, they are excluded altogether from settling in Japan, on political grounds; the government of Cochin China also affords them no great encouragement, from the same reason, and the Dutch and Spanish governments of Java and the Phillippines have always looked upon them with a considerable share of suspicion. Distance, but above all, the existence of a dense and comparatively industrious population, excludes them from the British dominions in Hindustan, where we find only a few shoemakers and other artisans, and these confined to the towns of Calcutta, Madras and Bombay. A few, I understand, have lately proceeded to the Mauritius.

Every emigrant who leaves China does so with the intention of returning to it, although comparatively few are able to accomplish this object. The expense of emigration to the countries to which the Chinese usually resort amounts but to a mere trifle. The passage-money in a Chinese junk from Canton to Sincapore is but six Spanish dollars; and from Fokien but nine. Even these slender sums, however, are commonly paid from the fruits of the

the emigrant's labour on his arrival, and are seldom paid in advance. The emigrants, I think, are invariably of the labouring classes, and their whole equipment for the voyage in ordinary cases consists of little else than the coat on their backs, a bundle of old clothes, and a dirty mat and pillow to sleep on. They no sooner land than their condition is prodigiously improved: they meet their countrymen, and probably their friends or relatives; they find immediate employment in a congenial climate, and in countries where the wages of labour are perhaps three times as high as in China, and the necessaries of life perhaps by one half cheaper.

The Chinese are not only intellectually, but physically, superior to the nations and tribes among whom they settle. A Chinese is at least two inches taller than a Siamese, and by three inches taller than a Cochin Chinese, a Malay, or a Javanese, and his frame is proportionally strong and well built. Their superiority in personal skill, dexterity and ingenuity, are still greater. All this is evinced in a very satisfactory manner, by the simple criterion of the comparative rates of wages of the different classes of inhabitants or sojourners at any given place where they all meet. At Sincapore, for example, the wages of ordinary labour for the different classes of labourers are as follow: a Chinese, eight dollars a month; a native of the Coromandel coast, six dollars; and a Malay, four; making the work of the Chinese by one third better than that of the first, and by 100 per cent better than that of the second. When skill and dexterity are implied, the difference is of course wider; a Chinese house-carpenter will earn 12 dollars a month, while an Indian will earn no more than seven, and a Malayan thatcher or wood-cutter, for among this class there are no carpenters, but five.

The different classes of Chinese settlers not only live apart, and keep distinct from the settlers of other nations, but also from each other. There is a very wide difference between the character, habits and manners of the Chinese settlers, according to the parts of China from which they proceed. The natives of Fokien have a claim to a higher tone of character than any of the rest. Among the emigrants from the province of Canton there are three classes; viz. those from the town of Canton and its neighbourhood; the natives of Macao and other islands in the river: and the natives of some mountainous districts of the same province. The first of these, besides being addicted to mercantile pursuits, are the best artisans, and are much disposed to enter into mining speculations. It is they who are chiefly engaged in working the silver-mines of Tonquin, the gold-mines of Borneo, and the Malay peninsula, and the tin-mines of the latter country and of Banca. The Chinese of Macao and the other islands are held in very little repute among the rest of their countrymen; but the third class, who are numerous, are the lowest in rank. Their most frequent employment is that of fishermen and mariners; and it is from among their ranks that European shipping, when in want, have occasionally received hands to assist in their navigation. Of all the Chinese these are the most noisy and unruly. There is still another class of Chinese, the settlers in the Burman dominions, who differ very remarkably from all that I have just enumerated. With the exception of a small number of emigrants from the province of Canton, who find their way to Ava by sea, these are all from the province of Yunan, and in point of industry and intelligence seemed, as far as I could judge, much inferior to the colonists from Canton and Fokien. From all these again, the mixed races are to be distinguished by their superior knowledge of the language, manners and customs of the countries in which they reside, and by some inferiority in industry and enterprize. It is from this class that European merchants are supplied with brokers, money-counters, &c., and they are seldom to be seen in the condition of day-labourers or artisans. The Chinese settlers, of whatever class, engage with much eagerness in agricultural employments, seldom however, when they can avoid it, as mere day-labourers. They conduct almost exclusively the cultivation and manufacture of the catechu or terra Japonica in the Straits of Malacca, the pepper cultivation of Siam, and the culture of the cane and manufacture of sugar in Java, Siam and the Phillippines. Differing materially from each other in manners, habits and almost always in language or dialect, and entertaining towards each other provincial prejudices and antipathies, broils and quarrels, sometimes even attended with bloodshed, frequently break out among them. These are occasionally subjects of embarrassment in the European settlements, the authorities of which have never, I am persuaded, any thing to apprehend from their combination or resistance; and I may add, that of all the Asiatic settlers in our eastern settlements, the Chinese are the most obedient to the laws, and notwithstanding the superior amount of their property, and even of their numbers, afford the least employment to the courts of justice. The Chinese population settled in the various countries adjacent to China, may be roughly estimated as follows:

The Phillippine Islands	15,000
Borneo	120,000
Java	45,000
The Dutch settlement of Rhio, Straits of Malacca	18,000
Sincapore	6,200
Malacca	2,000
Penang	8,500
Malayan Peninsula	40,000
Siam	440,000
Cochin China	15,000
Tonquin	25,000
Total	734,700

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The population mentioned here is of a peculiar description, consisting, for the most part, of adult males, and of very few women or children, a circumstance easily explained. The laws of China, which prohibit emigration in general, are a dead letter, as far as the men are concerned; but it is imperative in respect to women and children, or perhaps, more strictly, the manners and feelings of the people themselves prevent the latter from quitting the country. I have never seen or heard of a female amongst the emigrants, and never saw a Chinese woman except at Hué, the capital of Cochin China, where two or three were pointed out to me as objects of curiosity, who had been kidnapped and brought there when children. The emigrants, however, without scruple, form connexions with the females of the country, and the descendants of these repeatedly intermarrying with Chinese, are in time not to be distinguished from the genuine Chinese, either in features or complexion. In all the countries where the Chinese have been long established there exists a considerable creole population of this description, such as in Java, Siam, Cochin China, and the Phillippines. But in countries where they have been only recently established, the disproportion of the sexes is immense. Thus, out of the 6,200 Chinese inhabitants of Sincapore, the number of females is but 360, and even of these the greater part are Chinese only by name. The extent of the annual emigrations from China may be judged of from the fact that the number which arrived at Sincapore in 1825 amounted to above 3,500, and in 1826 to upwards of 5,500. The annual number of emigrants which arrive in Siam was rated to me when I was in that country at 7,000. A single junk has been known to bring 1,200 passengers; indeed, I have myself seen one bring 900 to Sincapore. The number who return to China is considerable, but very small indeed in comparison to the arrivals. Even of these the greater number come back again; and I have known men of property, who have visited China, and returned with titles.

3674. Have you had that kind of communication and conversations with the Chinese, in any of the different parts where you have met them, as to be able to form any opinion how far the Chinese in their own country are to be considered a commercial people?—Upon that subject, never having been in China, I can offer no decided opinion; but my conviction is, that there is very little difference between them; and the emigrants, I should, probably, upon the whole, be disposed to think would be found superior to those they left behind them, as the most active spirits chiefly would go abroad. No man leaves China but an able-bodied man, and no man that has not a certain portion of spirit and enterprize will quit the country.

3675. Have you any means of furnishing the Committee with a view of the foreign trade of China carried on in junks?—I have also prepared a statement upon that subject. I beg to say, with respect to this and the other statement I gave in, that they are entirely the result of my own personal inquiry, chiefly derived from the Chinese themselves. I communicated with them through the medium of the Malay language, which I understand tolerably well. I was in the habit of always employing a couple of interpreters when I was Resident at Sincapore, and when the Chinese commanders of vessels and others, not understanding the Malay language, called upon me, I transacted business with them generally through the medium of these persons. Chinese who reside any time in the Malayan countries commonly make themselves in some measure acquainted with the Malay language, and there is no great difficulty in communicating with these, without the aid of an interpreter.

3676. Will you have the goodness to read the statement you have prepared on this subject?

[*The Witness read the same, as follows:*]

NATIVE FOREIGN TRADE OF CHINA.

The principal part of the junk-trade is carried on by the four contiguous provinces of Canton, Fokien, Chekiang and Kiannan. No foreign trade is permitted with the island of Formosa, and I have no means of describing the extent of the traffic which may be conducted between China, Corea, and the Luchew Islands. The following are the countries with which China carries on a trade in junks: viz. Japan, the Phillippines, the Soo-loo Islands, Celebes, the Moluccas, Borneo, Java, Sumatra, Sincapore, Rhio, the east coast of the Malayan Peninsula, Siam, Cochin China, Cambodia and Tonquin. The ports of China at which this trade is conducted are Canton, Tchao-tcheou, Nomhong, Hoei-tcheon, Su-heng, Kongmoon, Changlim and Hainan, in the province of Canton; Amoy and Chinchew, in the province of Fokien; Ningpo and Siang-hai, in the province of Tchekian; and Soutcheon, in the province of Kiannan. The following may be looked upon as an approximation to the number of junks carrying on trade with the different places already enumerated; viz.

	Junks.
Japan, 10 junks, two voyages	20
Phillippine Islands	13
Soo-loo Islands	4
Celebes	2

Borneo

	Junks.
Borneo	13
Java	7
Sumatra	10
Sincapore	8
Rhio	1
East Coast of Malay Peninsula	6
Siam	89
Cochin China	20
Cambodia	9
Tonquin	20
Total	222

This statement does not include a great number of small junks belonging to the island of Hainan, which carry on trade with Tonquin, Cochin China, Cambodia, Siam, and Sincapore. Those for Siam amount yearly to about 50, and for the Cochin Chinese dominions to about 43; these alone would bring the total number of vessels carrying on a direct trade between China and foreign countries to 307. The trade with Japan is confined to the port of Ningpo, in Chekian, and expressly limited to 10 vessels, but as the distance from Nangasaki is a voyage of no more than four days, it is performed twice a year. With the exception of this branch of trade the foreign intercourse of the two provinces of Chekian and Kiannan, which are famous for the production of raw silk, teas and nankeens, is confined to the Phillippine Islands*, Tonquin, Cochin China, Cambodia and Siam, and none of this class of vessels, that I am aware of, have ever found their way to the western parts of the Indian Archipelago. The number of these trading with Siam is 24, all of considerable size; those trading with the Cochin Chinese dominions, 16, also of considerable size; and those trading with the Phillippines, 5, making in all 45, of which the average burden does not fall short of 17,000 tons. I am the more particular in describing this branch of the Chinese commerce, as we do not ourselves at present partake of it, and as we possess no direct means of obtaining information in regard to it. All the junks carrying on this trade with Siam are owned in the latter country, and not in China, and I am not sure how far it may not also be so in the other cases. I do not doubt but that a similar commerce will, in the event of a free trade, extend to Sincapore, and that through this channel may eventually be obtained the green teas of Kiannan, and the raw silks of Chekian.

Besides the junks now described there is another numerous class, which may be denominated the colonial shipping of the Chinese. Wherever the Chinese are settled in any numbers, junks of this description are to be found, such as in Java, Sumatra, the Straits of Malacca, &c.; but the largest commerce of this description is conducted from the Cochin-Chinese dominions, but especially from Siam, where the number was estimated to me at 200. Several junks of this description from the latter country come annually to Sincapore, of which the burden is not less than from 300 to 400 tons.

The junks which trade between China and the adjacent countries are some of them owned and built in China, but a considerable number also in the latter countries, particularly in Siam and Cochin China. Of those carrying on the Siamese trade, indeed no less than 81 out of the 89, of considerable size, were represented to me as being built and owned in Siam. The small junks, however, carrying on the trade of Hainan, are all built and owned in China.

The junks, whether colonial, or trading direct with China, vary in burden from 2,000 peculs to 15,000, or carry, of dead weight, from about 120 to 900 tons. Of those of the last size I have only seen three or four, and these were at Siam, and the same which were commonly employed in carrying a mission and tribute yearly from Siam to Canton. Of the whole of the large class of junks I should think the average burthen will not be overrated at 300 tons each, which would make the total tonnage employed in the native foreign trade of China between 60,000 and 70,000 tons, exclusive of the small junks of Hainan, which, estimated at 150 tons each, would make in all about 80,000 tons.

The junks built in China are usually constructed of fir and other inferior woods. When they arrive in Cambodia, Siam, and the Malayan Islands, they commonly furnish themselves with masts, rudders and wooden anchors, of the superior timber of these countries. The junks built in Siam are a superior class of vessels, the planks and upper works being invariably of teak. The cost of ship-building is highest at the port of Amoy in Fokien, and lowest in Siam. At these places, and at Chang-lim in Canton, the cost of a junk of 8,000 peculs, or 476 tons burthen, was stated to me, by several commanders of junks, to be as follows:

At Siam	$. 7,400
Chang-lim	16,000
Amoy	21,000

* *Note.*—The provinces once conducted a trade amongst the Sooloo Islands and Borneo Proper, but owing to the anarchy which has of late years prevailed in these countries, it seems to be at present abandoned.

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A junk of the size just named has commonly a crew of 90 hands, consisting of the following officers, besides the crew, a commander, a pilot, an accountant, a captain of the helm, a captain of the anchor, and a captain of the hold. The commander receives no pay, but has the advantage of the cabin accommodation for passengers, reckoned, on the voyage between Canton and Sincapore, worth 150 Spanish dollars. He is also the agent of the owners, and receives a commission, commonly of 10 per cent, on *the profits* of such share of the adventure, generally a considerable one, in which they are concerned. The pilot receives for the voyage 200 dollars of wages, and 50 peculs of freight out and home. The helmsman has 15 peculs of freight, and no wages. The captains of the anchor and the hold have 9 peculs of freight each; and the seamen 7 peculs each. None of these have any wages. The officers and seamen of the colonial junks are differently rewarded. In a Siamese junk, for example, trading between the Siamese capital and Sincapore, of 6,000 peculs burthen, the commander and pilot had each 100 dollars for the voyage, with 12 peculs of freight a-piece. The accountant and helmsman had half of this allowance, and each seaman had 13 dollars, with 5 peculs of freight.

The construction and outfit of a Chinese junk are too well known to require description. They are clumsy and awkward in the extreme. The Chinese are quite unacquainted with navigation, saving the knowledge of the compass; notwithstanding this, as their pilots are expert, as their voyages are short, and as they hardly ever sail except at the height of the monsoons, when a fair and steady seven or eight knot-breeze carries them directly from port to port, the sea-risk is very small. During 13 years acquaintance with this branch of trade I can recollect hearing of but four shipwrecks; and in all these instances the crews were saved.

The construction and rigging of a Chinese junk may be looked upon as her proper registry, and they are a very effectual one; for the least deviation from them would subject her at once to foreign charges and foreign duties, and to all kinds of suspicion. The colonial junks, which are of a more commodious form and outfit, would, if visiting China, be subjected to the same duties as foreign vessels. Junks built in Siam, or any other adjacent country, if constructed and fitted out after the customary model, are admitted to trade to China upon the same terms as those built and owned in the country. If any part of the crew consist of Siamese, Cochin Chinese, or other foreigners, the latter are admitted only at the port of Canton; and if found in any other part of China would be seized and taken up by the police exactly in the same manner as if they were Europeans. The native trade of China, conducted with foreign countries, is not a clandestine commerce, unacknowledged by the Chinese laws, but has in every case at least the express sanction of the viceroy or governor of the province, who on petition decides the number of junks that shall be allowed to engage in it, and even enumerates the articles which it shall be legal to export and import. At every port also, where such a foreign trade is sanctioned, there is a hong or body of security-merchants as at Canton; a fact which shows clearly enough that this institution is parcel of the laws or customs of China, and not a peculiar restraint imposed upon the intercourse with Europeans.

The Chinese junks, properly constructed, pay no measurement-duty, and no kumsha or present; duties, however, are paid upon goods exported and imported, which seem, however, to differ at the different provinces. They are highest at Amoy, and lowest in the island of Hainan. The Chinese traders of Siam informed me that they carried on the fairest and easiest trade, subject to the fewest restrictions in the ports of Ningpo and Sianghai in Chekian, and Souchon in Kiannan. Great dexterity seems every where to be exercised by the Chinese in evading the duties. One practice, which is very often followed, will afford a good example of this. The coasting trade of China is nearly free from all duties and other imposts. The merchant takes advantage of this, and intending in reality to proceed to Siam or Cochin China, for example, clears a junk out for the island of Hainan, and thus avoids the payment of duties. When she returns she will lie four or five days off and on at the mouth of the port, until a regular bargain be made with the custom-house officers for the reduction of duties. The threat held out in such cases is to proceed to another port, and thus deprive the public officers of their customary perquisites. I was assured of the frequency of this practice by Chinese merchants of Cochin China, as well as by several commanders of junks at Sincapore. From the last-named persons I had another fact of some consequence, as connected with the Chinese trade, viz. that a good many of the junks carrying on trade with foreign ports to the westward of China, often proceeded on voyages to the northward in the same season. In this manner they stated that about 20 considerable junks, besides a great many small ones, proceeded annually from Canton to Souchon, one of the capitals of Kiannan, and in wealth and commerce the rival of Canton, where they sold about 200 chests of opium at an advance of 50 per cent beyond the Canton prices. Another place where the Canton junks, to the number of five or six, repair annually, is Chinchew, in the province of Shanton, within the gulph of Pechely, or Yellow Sea, and as far north as the 37th degree of latitude.

3677. Do you mean to state, in a passage of the paper you have read, that the Chinese emigrants carry on the trade from Sincapore to Canton, notwithstanding any interdiction by edict that may exist?—What I meant to state was, that in the event of junks being properly constructed and manned, at Sincapore, for example, it would be of no consequence their being owned at Sincapore. They would, notwithstanding

withstanding such circumstance, be allowed to trade freely with any port of China, in the same way as junks built and manned in China itself.

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3678. Then is it to be understood that the objection of the Chinese to foreign ships is rather to their form than to any thing else?—Yes.

3679. And the nationality of the sailors?—Yes.

3680. Can you furnish the Committee with the rates of freight paid for goods, between port and port in China, or between ports of China and the islands to the eastward, during any number of years?—I can furnish the rate of freights paid upon some of the principal articles; it is a specific freight upon particular commodities; so much for raw silk, so much for earthenware, so much for tea. To the best of my recollection the charge upon tea and upon the coarser earthenware is the same.

3681. Supposing the trade between China and Europe were to flow through the channel of an emporium, are you of opinion that the foreign trade carried on in Chinese junks might be very considerably increased?—Yes, I have no doubt it would; but I beg leave to give some explanation upon that point. If European nations were excluded from Canton, of course the trade would take the channel of an emporium entirely; but if European nations were admitted to Canton freely, if there were no restrictions upon their admission to Canton, I have great doubt whether it would centre in an emporium. Canton is a place of long-established trade, and people would prefer it, at least for a time, even if the others were more convenient; but this is a point exceedingly difficult to determine upon. I have often thought of it, but I have never been able to make up my mind whether the trade would take the channel of Sincapore, or whether it would continue to centre at Canton. Trade takes a long time before it quits an established channel, even to go into a more convenient one, when such is opened or presented.

3682. Supposing an interruption to take place in the European trade of China, are you of opinion that a considerable quantity of tea might be brought in Chinese vessels to Sincapore, or some other emporium in the eastern Archipelago?—I conceive so. I think it was a great point, during the discussions respecting the former charter with the East India Company, to establish that fact themselves. Mr. Drummond, now Lord Strathallan, gave it distinctly in evidence that a very large quantity of tea might be imported into Europe through such a channel. The evidence is to be found upon the records of the Committee of the House of Commons, I think, in 1812. It seemed, indeed, to be a settled point, especially in reference to the Phillippine Islands and others. I have a short entry on this subject, taken out of a note-book that I kept at Sincapore; it is dated the 22d of August 1825, and the result of a conversation with the commanders of some junks: —"The tea consumed in Cochin China is brought from Tchaotcheon, on the confines of Canton and Fokien; but in the jurisdiction of the former to Hainan, from whence it comes to Saigun and other places. It is all the produce of Fokien. Into Saigun there are annually imported about 70,000 boxes of tea, of 20 catties each, and into Hué about 10,000 boxes. It is impossible to conjecture the quantity brought into Tonquin, as a great part of it is imported by land. The price of the ordinary qualities at Tchoutcheou and Canton is 26 dollars per pecul. The same tea would be sold at Saigun for 40 dollars. My informants state, that any quantity whatever of tea may be imported into Sincapore which the market may demand, from Chaotcheou, Changlim, and other parts, either black or green. The commanders of junks will do this in spite of any regulations to the contrary. Information furnished by commanders of Saigun junks, 22d August 1825." Note, 80,000 boxes of tea, of 20 catties each, are equal to about 2,130,000 lbs. The prices of 26 and 40 dollars per pecul are equal to 10 *d.*, and 15 ½ *d.* per pound.

3683. Have you paid any attention to the statistics of China?—I have paid the usual attention to it. I have read a good deal upon the subject.

3684. Will you state what you consider the population of China to be?—I have here a table containing a variety of statistical particulars with regard to China.

3685. From what source have you derived that table?—I have a paper describing the sources from which I have taken it.

3686. Will you have the goodness to deliver in those papers?

[*The witness delivered in the same, which was read, as follows*:]

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TABLE exhibiting a Brief View of the

PROVINCES.	Latitude of Provincial Capitals.	Travelling Distance of Provincial Capitals from Pekin.	Area of each Province in Statute Miles.	Population.	Inhabitants to the Square Mile.	Revenue.
	N. ° ′	*Eng. Miles.*				£.
Pechely -	39 55	- . -	59,700	3,504,038	58	923,931
Kiannan -	32 4	862	85,000	30,405,258	357	2,458,476
Kiansi - -	28 37	1,024	72,000	5,922,160	82	981,374
Fokien - -	26 2	2,202	57,150	1,684,528	29	377,507
Chekian -	30 20	1,185	37,200	18,975,099	510	1,357,593
Houkouan -	30 34	1,133	168,300	33,702,379	200	738,123
Honan - -	34 52	553	62,000	2,662,969	43	1,052,826
Shanton -	36 44	287	56,800	25,447,633	448	1,231,607
Shansi - -	37 53	431	63,500	1,860,816	29	1,061,916
Shensi - -	34 15	952	167,700	257,704	1 ½	497,610
Sechuen - -	30 40	2,048	175,600	7,789,782	44	195,484
Canton - -	23 10	2,720	97,100	1,491,271	15	424,567
Kouansi -	25 13	2,680	87,800	2,569,518	29	146,828
Yunnan - -	25 6	2,946	131,400	2,255,459	17	165,306
Koneicheou -	26 30	2,745	51,200	2,941,391	57	36,764

RECAPITULATION.

Area of China, exclusive of Tartary and dependent provinces, in English square miles - - - - - -	1,372,450
Total population of ditto - - - - - -	141,470,005
Rate of population to the square mile in ditto - - -	103
Total revenue - - - - - - - - - -	11,649,912
Rate of Taxation per head - - - - - -	1 *s.* 7 $\frac{76}{100}$ *d.*
Army - - - - - - - - - -	1,182,000
Rate of military force to the population - - - -	as 1 to 119

Note.—The accompanying Table is chiefly compiled from the following authorities; viz. from a "Statistical View of China, extracted from original documents by Mr. Klaproth," contained in the Appendix to Timkowskie's Travels, London, 1827; from Du Halde's China; from the last edition of Grosier's China, seven vols. 8vo. Paris, 1818; and from the Tables contained in a work intitled, Historie de la Chine, &c. &c. by Mr. Le Clerc Besançon, 1777; a few particulars are derived from personal information.

Provinces.

The ancient division of China is into 15 provinces, but two of the largest, Kiannan and Houkouan, have of late years been subdivided each into two, making the whole 17. The Table is according to the old division.

Travelling

Statistics of *China Proper*, &c. &c.

Rate of Taxation per Head.	Military Force.	DISTINGUISHING PRODUCTIONS AND INDUSTRY.
£. s. d.		
– 5 3	241,000	- - tin; lead; the vine; mineral coal; marble; saltpetre; fossil alkali.
– 1 7	132,000	- - corn; salt; cotton; cotton and silk fabrics; porcelain; fine green tea; foreign trade.
– 3 3	39,000	- - gold; silver; lead; iron; tin; vitriol; corn; alum; fine porcelain.
– 4 5	76,000	- - quicksilver; iron; iron manufactures; tin; silk fabrics; fine black tea; foreign trade; marble.
– 1 5	59,000	- - corn; silk; silk fabrics; fine black and green teas; foreign trade.
– – 5	88,000	- - quicksilver; tin; corn; fine tea; paper; cinnabar.
– 7 10	24,000	- - copper; corn.
– – 11	35,000	- - corn; trade seawise.
– 11 4	35,000	- - mineral coal; woollen stuffs; salt from lakes and springs; the vine; sheep; cinnabar.
1 18 7	104,000	- - mineral coal; cinnabar; rhubarb; musk; sheep; salt from lakes and springs, and fossil salt; hair manufactures.
– – 6	85,000	- - copper; gold; iron; tin; lead; amber; musk; horses; silk; sugar; rhubarb; salt from springs.
– 5 9	99,000	- - copper; iron; tin; lead; quicksilver; silk; sugar; camphor; foreigh trade; marble.
– 1 1	42,000	- - copper; tin; silver; cassia; sheep.
– 1 5	53,000	- - gold; silver; copper; tin; zinc; silk; salt; tea; musk; trade by land with Burmans and Siamese.
– – 3	70,000	- - gold; silver; copper; quicksilver; grass-cloth.

RECAPITULATION.

Population of China Proper - - - - - - -	141,470,005
Ditto - of the province of Ching King, or Lias Toung -	486,643
Ditto - of - - - - Kansu - - - - -	340,086
Computed population of Tartary - - - - -	12,000,000
Military force in Kansu, not included in the population -	123,000
Ditto - in Ching King - -. ditto - - -	4,000
Ditto - in the country of the Manchoos - - -	10,000
Ditto - in - ditto - - Mongols - - -	30,000
Ditto - in - ditto - - Bocharia, &c. - -	45,000
Ditto - in Tibet - - - - - - -	6,000
Marine - - - - - - - - - - -	31,000
Civil officers, not included in the population - - -	9,611
Military ditto - - - ditto - - - - - -	7,552
Army in China Proper, exclusive of officers - - -	1,182,000

Travelling Distance of Provincial Capitals from Pekin.

The distance in the original documents are given in Chinese lis, a measure of 1,897 ½ English feet, and taken from the Imperial Civil Kalendar.

Area.

This is calculated from a common map of China; and all modern maps of that country are known to be drawn from one original, that of the Jesuits. The Chinese territory extends from about the 20th to the 40th degree of north latitude; but the finest parts of it are embraced in the space which lies between the 28th and 38th degrees, whether in respect to soil, climate, or position.

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Population.

The document which furnished the materials for the population is the new edition of 1790, of the work called the "Great Imperial Geography." The population of China has usually been supposed in Europe to be extravagantly estimated; but when the vast extent of the empire is considered, it is certain that the country is more *under* than over-peopled. This will appear clear enough from the following comparison with the population of some other countries.

China, per square mile - - -	103	Austrian Dominions - - -	110
Old British Possessions in Bengal	240	France - - - - -	164
Hindustan throughout - - -	104	England - - - - -	222

By casting the eye over the Table it will appear that the population is very unequally spread over the country. There are in fact but four provinces out of the 15 which are densely inhabited, embracing between them little more than a fourth part of the area of the empire, but containing above two thirds of the population, and of these three only are remarkable for their populousness. The rest of the empire is in fact but scantily inhabited. Much of the surface of China is mountainous and sterile, a fact which has struck all intelligent travellers and visitors. In point of natural fertility it is evidently much inferior to all our possessions in Bengal, and even to Hindustan in general, although over the latter country it possesses great advantages in the number and superiority of its navigable rivers and harbours. The population, as elsewhere, has accumulated in the fertile alluvial plains towards the *debouchments* of the great rivers, along the borders of lakes, and in the neighbourhood of the creeks, bays and harbours with which some parts of the coast appear to be so remarkably indented. Two of the most populous, as well as industrious and civilized provinces, Kiannan and Chekian, besides abounding in lakes and inlets of the sea, contain the *debouchments* of the two great rivers of China, and it is here that the mass of the population appears to be concentrated. Shanton, besides containing many harbours and lakes, is intersected by the Imperial Canal; and Houkouan, although a central province, contains extensive lakes, and is intersected by one of the large rivers which appears to pass through a wide plain, uninterrupted by mountains. Two of the provinces best known to us, Canton and Fokien, are so remarkably mountainous, that they seem always to have relied upon their neighbourhoods for supplies of corn, the first being furnished from the neighbouring province to the westward of it, and recently from the Phillippine Islands, and the last from the fertile and under-peopled island of Formosa. I have no doubt, however, that the population of the province of Canton is for the present times much underrated, and that through means of the foreign trade it has greatly augmented within the 40 years since the census was taken. By the editors of the Canton Register, I perceive that it is considered to be as populous as Scotland, or to contain about 2 ½ millions of inhabitants, which would give 25 instead of 15 inhabitants to the square mile. The extent of the woods in the province of Canton, and the neighbouring one of Konansi, is indicated by the large amount of two articles of the exports of China to foreign parts, cassia and camphor, both of which are productions of the forest. Canton, for example, produces yearly not much less than 6,000 peculs of the latter article, or about 800,000 lbs. weight. The frequent presence of the metals in the north-western provinces indicates a mountainous country, a primitive formation, and a territory not distinguished for fertility. This, indeed, is well known to be the case, particularly with the great province of Yunnan. On the north-west frontier the country is still more sterile; and here occurs the great province of Shensi, with less than two inhabitants to a square mile. This part of the country is not only destitute of rivers, but liable to droughts, and to the depredations of locusts.

Revenue.

The account of the revenue is taken from the Imperial Civil Kalendar, published quarterly at Pekin. The statement here given by Mr. Klaproth seems to be the same as that which has been translated by Mr. Huttmann, the secretary of the Royal Asiatic Society, and refers to as late a period as the year 1814. The Chinese revenue consists of a land-tax, partly levied in money, and partly in kind, customs and transit-duties, a monopoly of salt, licenses of pawnbrokers, and other miscellaneous taxes, a tax levied on coals at the mine, &c. Mr. Klaproth gives the total mount of the revenue levied in money at a sum which is equal, taking the Chinese ounce at 6 *s.*, to 10,005,250 *l.*, and Mr. Huttmann at 10,818,367 *l.*; adding to the first the value of the tax in corn, we have the sum of 11,649,912 *l.* given in the table. ding to this view, the taxes paid by 141 millions of Chinese do not greatly exceed o f what is paid by 90 millions of British subjects in India, much inferior to them in and civilization. The tax per head in China is 1 *s.* 7 ¾ *d.* In the British possessio n India it is 4 *s.* 8 ¼ *d.** The land-tax in China, the principal one, is said to be fixed and permanent; and indeed the moderation of the taxes throughout is, in all probability, the principal element in the good government of the Chinese; for that good government exists, in a relative degree, is sufficiently indicated by the superiority of the people in all useful industry to every other Asiatic nation.

* East India Annual Revenue Accounts, printed May 1828.

Military Force.

One third of the military force of China is said to exist only on the muster-rolls. Whether this be the case or not, no doubt the whole is a burthen upon the people and government. The amount is not so exorbitant as might be supposed, being but as one to 119 to the whole population; whereas the army of Russia, the country that most resembles China, is as one to 75."

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3687. You have stated that China Proper extends from the 20th degree of latitude to the 40th; are there not territories dependent upon China which extend much farther north than that?—Yes; there is an estimate of the population of those territories in the table, but it is little better than conjecture.

3688. Will you state to what degree of latitude the territories dependent upon China reach?—I cannot; I should say, probably, to the 45th or 47th degree. Pekin itself is nearly in the latitude of 40.

3689. Have you paid particular attention to the tea-trade?—Yes, I have paid a good deal of attention to it.

3690. Will you state the result of your inquiries respecting the cultivation of tea?—Having never been in China, I have never seen the tea-plant cultivated properly as it ought to be. I have seen the tea-plant growing in Cochin China only.

3691. In what degrees of latitude is it generally grown?—It will grow any where; but it will make very bad tea in warm climates. It is a very vigorous hardy plant; I have seen it live upon the very Equator, or close to it; and it grows again as far as the 45th degree of latitude.

3692. Within what degrees of latitude do you think it could be grown so as to produce a good article of commerce?—One can judge only from what is known to take place in China. I believe good tea is confined generally to the climate probably extending from 25 to 32 or 33 degrees.

3693. Do you understand that the tea-plant is cultivated in most of the provinces of China?—There is no doubt it is. I know it to be cultivated in the province of Yannen, which is the most westernly province of China, because I have seen it brought in considerable quantities to Ava; and it was stated to be the product of that province.

3694. Is it cultivated in any other country besides China?—It is cultivated in Japan, in Cochin China, and in Tonquin.

3695. Is any of the tea that is grown out of China as good as that which is the genuine China tea?—All other tea that I have seen is sufficiently bad. I take it that a great deal of skill and industry is necessary to grow tea. I should think that the vine is almost a complete parallel with the tea-plant. The tea is known to be botanically one species, so is the vine; and, I believe, every distinction that arises between green tea and black tea to be owing to climate, soil and cultivation. The places that produce fine teas are like the spots which produce fine wines, from all accounts exceedingly limited; the places that produce coarse teas are very widely spread.

3696. Is the coarse tea in general consumption throughout China?—From all I have been able to ascertain it is in very general cultivation and general consumption. It could not be generally consumed unless it were generally cultivated. The people are poor, and could not afford to use it if it were not cultivated upon the very spot where it is consumed.

3697. Do the lower orders in China drink tea?—I have understood, universally. Those that reside in foreign countries are perpetually sipping tea. I recollect a Hindoo sepoy once called my attention to some Chinese who were at work, telling me, that those people never drank water, that they always drank tea; that was the explanation he gave. The matter appeared of course strange to one of a people who themselves hardly ever drink anything but water.

3698. Can you state the description of tea that is in common use amongst the lower class of Chinese; is it Bohea or Congo?—Those are European names, I believe; I have understood from the Chinese, who have been in the tea districts. that the name of Bohea particularly is that of rtain place, in which some of the finest black tea that is exported is grown; think it may be inferred from the statement I have drawn up, that the tea w Bohea is generally consumed in China. I have a comparative statement of the prices of new and old tea in Canton in season in 1828–29; I find that the Bohea tea is precisely of the same price in the month of May, when out of season, that it is in the month of November in season; that there is not the least variation in the price, whereas there is an immense variation in the prices of all the other kinds; particularly in those dealt in by Europeans, and especially in the green teas.

3699. Do you infer that the teas consumed in China by the Chinese themselves are black teas?—I understand them to be universally black.

3700. And the great bulk to be of an inferior description?—And the great bulk to be of an inferior description of course.

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3701. Have you recently looked at the qualities of teas imported into this country, and can you state the proportion which the inferior descriptions of tea bear to the superior?—I have made a calculation of that, but I have it not by me. I have a statement of the proportions of the higher classes of tea in America and in this country. Tea is an article of general consumption in this country; it is not so to so great a degree in America. There is a larger proportion of good tea consumed in America than there is in this country, and a much larger proportion of inferior tea is consumed in this country.

3702. Is it a fact that the great bulk of the imports of teas for the English market consists of inferior description of tea?—The great bulk of the tea consists of Congo, I think probably 20,000,000 out of 30,000,000.

3703. Are you of opinion that the quantity of fine teas required for the market of Europe might be augmented in China?—I should think not very materially. The kinds that are now produced I should think much resemble in production some of the finer wines. There are, as is well known, some particular wines of which the quantity cannot be much augmented without deterioration of quality. But that other fine teas, not at present known to us, may be discovered, I have no doubt, because there are evidently many fine teas that do not reach us; for example, the teas sent to Russia are obviously a different description of tea altogether from those that we receive, and the produce apparently of other provinces.

3704. Do you know what provinces?—No; I suspect some of the central provinces.

3705. Is that of a different description from what we import?—Yes, it differs from it materially; it is evidently another production; it differs from it as much as Claret does from Burgundy.

3706. Are you aware whether fine tea is now produced in some of the provinces of China which have no export to Europe?—I have been told so by Chinese, and the fact is confirmed by the most authentic works I have read.

3707. What are those provinces?—I understand there is very fine tea produced in Yunnan and Honkonang.

3708. What kind of tea is produced in Cochin China?—Very inferior tea indeed; it is a large-leafed tea, very little care seems to be taken in the cultivation, and very little also in the preparation. The Cochin Chinese do not infuse, but boil it. The tea, it may be remarked, seems to be a peculiar plant, for the larger the leaf and the older, the less strength and flavour there seems to be in the tea, and the younger the leaf the more delicate and high flavoured it is.

3709. Do the better classes in Cochin China consume Chinese tea?—They do.

3710. Is that the case in the Burman empire?—In the Burman empire they consume very little tea besides what they grow themselves. This last, although a genuine tea botanically, is a peculiar variety. The Burmese mix it with oil of *seasimum* and garlic, and give it to their guests as a token of welcome. There is a very large consumption of it, and it is a considerable branch of trade.

3711. Can you furnish the Committee with any information respecting the Russian tea-trade?—When I resided at Brussels about eight or nine months ago, a Belgian gentleman of rank offered to furnish me with answers to any queries I might put upon the subject.

3712. Was he engaged in commerce?—He was not engaged in commerce; but he wrote to a gentleman at St. Petersburgh who was, and I have here a translation of the replies of the latter to the questions which I prepared.

3713. Will you have the goodness to read them.

[*The witness read the same, as follows:*]

What kinds of tea are imported from China to Kiachta?

None but of the first qualities, whether black or green; but the great importations consist of black, the green being but of slender consumption in Russia.

What are the prices at Kiachta of low, middling, and first qualities?

As the inferior qualities are not imported into Russia, as has been already seen, the prices cannot consequently be annexed. The consumption has a determination towards the first qualities, on account of the duty being the same for all kinds, without distinction of colour or quality. Thus, a pound of very inferior tea pays exactly the same custom-house duty as the most select which is imported. As to the price of the first qualities, it is difficult to determine it exactly, because the tea is always taken in barter against Russian and other productions, principally however Russian. This barter, which is entirely

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in the hands of the Russian merchants, is an obstacle to obtaining, unless very imperfectly, the real price of teas at Kiachta. This matter, in fact, is made a secret with the merchants. However, according to the information which I have obtained, the price of black or green tea may be commonly estimated at about three paper roubles the Russian lb.

What are the prices of tea at St. Petersburgh?

The answer made to the first question is equally applicable here, as far as relates to the inferior qualities, of which the price is not known at St. Petersburgh. On the other hand, as in Russia black teas are in more request than green, they bear the same price at Petersburgh and Moscow, where the trade is principally conducted; both kinds are commonly sold wholesale at from eight to nine paper roubles the Russian pound. The importation-duty of three paper roubles, charges and profits included.

Are the teas imported at Kiachta the produce of the provinces of Kiannan and Fokien?

No, they come from the centre of China.

Are the teas consumed in Russia equal in point of taste and flavour to those used in England, France, and Germany?

They are in all respects superior to those consumed in these last countries. In the first place, as has been already said, the higher qualities only are consumed in Russia. In the next, they undergo no sea-voyage—a voyage which causes them to lose much of their strength, freshness, and flavour. To make a comparison, I would say that the black is of a superior quality to the tea known by us under the name of Pekoe; and that the green is better than that which passes under the name of Imperial. In use, the difference between the teas coming sea-wise, and those coming by land through Kiachta, is so remarkable, that it is no exaggeration to say that a pound of the last goes as far as two pounds of the first. The tea which goes under the name of Caravan tea, sells in Germany and France at the rate of 10 or 12 florins the half Netherland pound. But the importation of this tea into the latter countries is very trifling, and consequently it is difficult to get it genuine.

What is the quantity of tea annually brought to the fair of Kiachta?

The importations of tea at Kiachta, and at two other places which have the privilege of carrying on the trade, amount yearly to 700,000 pouds, or 28,000,000 pounds.

What class is it that consumes tea in Russia?

The great mass of the nation uses it, from the lord to the peasant or serf, all who possess a little means.

What is the yearly value of the exportations and importations at Kiachta?

The value is estimated at 150,000,000 of paper roubles.

Can any Russian merchant establish himself at Kiachta?

The merchants carrying on the trade are for the most part Muscovites; but any Russian may engage in it, paying the corporation tax (droits des guildes.)

What are the principal articles disposed of by the Russians to the Chinese?

Among other articles, broad cloths, velvets, *polemites*, furs, Italian coral, leather, (jaffs, &c.)

Is there any published work in Russia on the subject of the trade carried on at Kiachta?

The Russian government has a statistical work on the subject, but it is not published."

3714. What is the value of the paper rouble?—About 10 ½*d.*, or thereabouts.

3715. Can you state generally the course of the Russian trade with China, and the mode in which the tea is brought to Europe?—I understand that it is a very tedious affair; that when the goods are conveyed by water it takes three years from Kiachta to the eastern frontier of European Russia, and when it comes by land it takes one year. By three years is meant three short summers. For eight or nine months of the year the rivers are frozen up and impassable. I have always thought that this branch of trade much resembled in character the over-land commerce that was carried on before the discovery of the Cape of Good Hope; and that if tea brought sea-wise could be imported into Russia, scarcely a pound of the tea now used would be consumed, fine as it is. The direct commerce between Russia and China would then probably be confined to that part of the Russian empire which is in the immediate neighbourhood of China.

3716. Do you understand that the Russians experience any difficulty from being in immediate contact with the Chinese?—I do not understand that they do. I have read that they have even convicts upon the very frontiers. It is stated that there are always from 1,000 to 1,500 of these, and that when they escape they are immediately take up by the Chinese government, and sent back again, with a request that they should receive a little additional punishment for polluting the Chinese territory beyond what they had a right to receive for their flight.

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3717. How long did you reside at Sincapore?—About three years.

3718. What is the population of Sincapore?—I think between 8,000 and 9,000, when I went there in 1823.

3719. Were you the resident there?—I was the resident at Sincapore, acting under the Governor-general of Bengal.

3720. When was the settlement first made at Sincapore?—In 1819.

3721. Was it not then in a very rude state?—There were only 200 or 300 Malay inhabitants.

3722. In what year did you leave it?—In 1825.

3723. What was the amount of the population then?—I have prepared a statement upon that subject, which I will deliver in.

[*The witness delivered in the same, which was read, as follows*:]

POPULATION of Sincapore for the Five Years ending 1828.

	1824:	1825:	1826:	1827:	1828:	—
Europeans	74	84	111	87	108	Troops, 561
Native Christians	74	132	206	188	193	Convicts, 388
Armenians	16	9	18	19	25	
Arabs	15	10	17	18	17	
Natives of Coromandel and Malabar	390	690	605	777	1,095	
Natives of Bengal and other parts of Hindostan	366	226	384	244	294	
Siamese	-	-	-	7	—	
Bugis	1,851	1,704	1,442	1,242	1,252	
Malays	4,580	5,130	5,697	4,790	5,336	
Javanese	-	38	146	267	355	
Chinese	3,317	3,828	4,279	6,088	6,210	
African Negroes	-	-	2	5	—	
Total	10,683	11,851	12,905	13,732	14,885	

Increase in five years near 40 per cent.

3724. Is that number you have stated the entire number of persons on the island, or only of fixed settlers?—I understand those to be the fixed settlers.

3725. Did you find a mixed population of that nature difficult to manage?—By no means; quite the contrary.

3726. What is the nature of the harbour of Sincapore—It is an open road; it is not a harbour; but this is a matter of no consequence in those latitudes; there is never a storm there; I have never known even a squall continue more than half an hour or three quarters of an hour, and such squalls are of no great violence.

3727. Is it entirely a free port?—Entirely. The Americans are excluded from it, but that is in virtue of a treaty we have with the Americans, by which, in consequence of enjoying certain privileges beyond others, at these they are confined to four principal settlements. Sincapore having become a British possession since the treaty, of course they are not allowed to trade to it.

3728. Are there any duties at Sincapore?—No; nor any port-charges whatever.

3729. Do you attribute the increase of the settlement to that circumstance?—No doubt; and to its convenient situation.

3730. Can you give the amount of exports and imports to Sincapore?—I have a statement of the imports and exports of Sincapore for the years 1826–27, and 1827–28, which appeared in the Sincapore Chronicle of the 11th and 25th September 1828.

[*The witness delivered in the same, which was read, as follows*:]

IMPORTS:

The following is a Comparative Statement of the Amount of the Imports of this Settlement for the Years 1826–27, and 1827–28.

NAMES OF PLACES.	1826–27.	1827–28.	Increase.	Decrease.
	Sicca Rupees.	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
From Calcutta	1,953,120 ¼	2,316,466 ¼	363,346	—
Madras	403,001 ¼	414,697 ¾	11,696 ½	—
Bombay	255,700 ½	376,889 ½	121,189	—
England	2,835,477	1,920,126 ¼	- - -	915,350 ¾
Foreign Europe	- - -	541,673	541,673	—
America	369,959	- - -	- - -	369,959
China	1,513,555	1,792,674 ¼	279,119 ¼	—
Prince of Wales Island	672,523	883,015 ¼	210,192 ¼	—
Malacca	306,438 ¾	278,627 ¼	- - -	27,811 ½
Java	1,178,675 ¼	2,284,637 ¼	1,105,962	—
Isle of France	82,122 ¼	155,951	73,828 ¾	—
Ceylon	10,525	19,355 ¼	8,830 ¼	—
Siam	461,006 ½	275,819 ¾	- - -	185,186 ¾
Cochin China	322,790 ¾	108,449 ¾	- - -	214,341
Acheen	100,932 ¾	2,896 ½	- - -	98,036 ¼
Other Nat. Ports	3,153,958 ¾	3,514,720 ¼	360,761 ½	—
Sicca Rupees	13,619,786	14,885,999 ¼	3,076,898 ½	1,810,685 ¾

TOTAL Increase of Imports - - - 1,266,213 ¼ *Sa. Rs.*

EXPORTS:

The following is a Comparative Statement of the Amount of the Exports of this Settlement for the Years 1826–27, and 1827–28.

NAMES OF PLACES.	1826–27.	1827–28.	Increase.	Decrease.
	Sicca Rupees.	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
To Calcutta	2,039,761 ½	1,631,349 ½	- - -	408,412
Madras	278,928 ½	1,138,099	859,170 ½	—
Bombay	526,188 ¼	188,012	- - -	338,176 ¼
England	2,115,118	2,789,513 ½	674,395 ½	—
Foreign Europe	574,457 ½	272,230 ¾	- - -	302,226 ¾
China	2,464,815	1,519,897	- - -	944,918
Malacca	438,356 ¾	480,556	42,199 ¼	—
Penang	369,777 ¼	646,122 ¾	276,345 ½	—
Java	826,965 ¾	1,026,379	199,413 ¼	—
Mauritius, &c.	59,900 ½	119,122 ¾	59,222 ½	—
Siam	341,333 ¼	457,713 ¾	116,380	—
Cochin China	289,856 ¼	85,576	- - -	204,280 ¼
Acheen	26,219 ¾	—	- - -	26,219 ¾
Other Nat. Ports	3,531,384	3,517,438 ½	- - -	13,945 ½
Sicca Rupees	13,883,062	13,872,010	2,227,126 ½	2,238,178 ½

TOTAL Decrease of Exports - - - 11,052 *Sa. Rupees.*

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3731. Have you got an account of the tea imported into Sincapore?—I have an account of the tea exported, but none of the tea imported. It is, however, given in a manner that is not very distinct, and I am not able to give the quantities as they ought to be given. In 1826–27 it was 2,462 boxes, and 103 peculs, three chests and 275 packages. In 1827–28, 267 peculs, 10 catties, 1,572 chests, and 80 packages.

3732. Can you give the Committee any notion of the quantity of tea consumed by the Chinese in Sincapore?—I have an extract of a letter which I received from Sincapore about a month ago, dated the 31st of July 1829. I put the question to one of the principal merchants in Sincapore, and this is the answer I received to it:—" I have not been able to get the information about the tea-trade in the way that I would wish. The Chinese here say a family of six persons will consume about 30 catties (40 lbs.) annually of good tea, costing 30 to 40 dollars the pecul, (11 ½*d.* to 15 ½*d.* per pound); labourers fully twice that quantity at about 10 dollars the pecul, (3 ¾*d.* per pound.) There can be little doubt that both tea and raw silk could be brought here by the junks to any extent, were there any inducement for them to do so. I will however endeavour to get detailed information to some extent, and write you more fully hereafter."

3733. Have you formed any calculation of the consumption of tea in China, deduced from that datum?—The consumption here given for the lower orders is double the consumption for the better classes; it amounts to 70 pounds weight per annum, at an average, for the lower classes for a family of six persons. But the labouring classes in Sincapore are in all probability in far more easy circumstances than the labouring classes in China, and though the tea be cheaper here, it is not likely that the lower orders there should be able to consume an equal quantity. Supposing they consumed only one half of it, and that the population be taken at 141 millions, exclusive of Tartars, there would be about 280 millions of pounds of tea consumed, or about 28 times the consumption of this country.

3734. You have been on a mission to Siam and Cochin China?—I have.

3735. Did you find any difficulty in conducting the objects of that mission, as arising from your not being clothed with authority from the King of this country?—I certainly did; and in the Burman mission also.

3736. If you had been considered as deputed from the King of England, do you conceive that you would have had greater facilities in accomplishing the objects of the mission?—I do not know with respect to mere commercial objects that I should have had more facility, but I should have had a more gracious reception. They were offended at receiving a mission from a governor or viceroy. Had my powers been derived from the Crown I should have been received at Cochin China, where I was not received at all.

3737. Were you deputed by the Governor-general of India?—I was.

3738. Upon what ground do you form that opinion?—Upon the positive assurance of the persons connected with the court of Cochin China.

3739. Did you go to Siam in a King's vessel, or in a merchant vessel?—I went there in a merchant vessel selected expressly for that purpose. I might have had an armed vessel; but it was my own suggestion that it should be a merchant vessel, and it was readily acceded to by the Government, who saw the propriety of it.

3740. Did you see any of the officers of the court of Cochin China?—I did; and had interviews with them.

3741. You have referred, in a statement you have delivered in, to the opinions of Mr. Klaproth; by what means did you become acquainted with those opinions?—By reading them in Mr. Klaproth's works.

3742. Have you any means of knowing what Mr. Klaproth's opinion is as to the opening of the trade in China to British ships generally?—I have not. But I should not think that Mr. Klaproth's opinion was worth a farthing. I should think that a recluse scholar, residing in Paris, could be no judge of the merits or demerits of a great political question, touching the interests of this country.

3743. Upon what ground have you thought it expedient to give to the Committee any detail of the opinions of Mr. Klaproth upon this subject?—I give no opinion of Mr. Klaproth whatever. I have given a translation by Mr. Klaproth of certain original Chinese works. I never quoted any opinion of Mr. Klaproth.

3744. You have stated that you have been in various parts of India, and also in the islands, holding various situations; in what situation were you first admitted into the Company's service?—I went into the Company's service in a medical capacity, in the first instance; through my own industry in some respects, and through

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through probably a larger share of good fortune, I was in time raised to situations of trust and responsibility.

3745. Do you think that the Chinese settlers could cultivate the tea-plant with advantage in any of the British possessions in India?—They might be usefully employed in that capacity; but I should think, from what I know of the character of the Chinese, and of the people of India generally, that without the aid of European capital, and European superintendence, the thing is not to be done in India.

3746. Do you think the tea-plant could be cultivated in India?—I think there is every reason to think that it might; it has not been actually done, and therefore it is difficult to say absolutely that it could. But I am given to understand that it is cultivated with perfect success in the Brazils. I see that circumstance stated in the work of a man of very considerable abilities, Dr. Clerk Abel, who accompanied Lord Amherst, and with whom I had myself conversations upon the subject.

3747. To what extent is it cultivated in the Brazils?—To a very trifling extent; and in the botanical gardens of Rio Janeiro. Dr. Abel saw it prepared; and he stated that the process was according to the Chinese plan. All this, I should say, was reported by him after he had seen the cultivation and preparation of tea in China.

3748. Do you think that any considerable commerce could be carried on between this country and the ports of Siam or Cochin China?—There is a very considerable commerce carried on indirectly through the medium of Sincapore, and one that, generally speaking, increases from year to year.

3749. Do you mean a direct intercourse between Cochin China and Siam, or an intercourse between Cochin China and Sincapore, and between Sincapore and Siam?—I mean a direct intercourse between Sincapore and those two countries.

3750. Are there any articles that can be sent from this country that would be required there?—There are great difficulties in any direct intercourse with the Siamese. I went upon a mission to that country, and I experienced very considerable difficulties.

3751. In what year did you go?—In 1821.

3752. Can you state the principal difficulties you met with?—The greatest difficulty, I think, is the government itself carrying on trade, and all the officers of the government carrying on trade. The king owns junks, the princes own junks, and, I believe the princesses own large junks. They think *that* the best way of deriving gain from trade; and have no conception that it would be for the benefit of the country to admit a free intercourse. They are in possession of their perquisites, and they like to keep them.

3753. In what way were difficulties thrown in your way; was it by prohibitions or duties?—The duties are inconsiderable. The principal difficulty is the government carrying on trade and exercising a right of pre-emption; the duties are not heavy, and life and property are perfectly secure.

3754. What articles do they chiefly deal in?—Siam produces a great number of articles; it is a very fertile and productive country.

3755. With what countries do they chiefly trade?—Their principal intercourse is with China. This is a very large trade. Bankok, the capital of Siam, is probably the largest Asiatic trading place in the East, next to Canton.

3756. Are there articles produced in Siam which are not produced in our colonies, which may become articles of importation into this country?—We receive at this moment a large quantity of the produce of Siam in this country, which is brought to Sincapore by the junks I have mentioned, and eventually brought here; as for example, a large quantity of sugar, which is found in the price-currents under the name of China and Siam sugar.

3757. Are there other articles that are peculiar to Siam?—I do not know that I could name articles exclusively Siamese. Gamboge is an article which is not exactly peculiar to Siam, but it is chiefly brought from that country; it is a produce of Gambodia, as its name implies.

3758. The question refers to the Malay Peninsula generally?—There are a great number of articles; pepper, teak-wood, tin, &c.

3759. Is there any direct commercial intercourse with Siam?—Several ships have gone there; there have been several American and English ships.

3760. To what ports?—To the port of Bankok, which is on the river that runs through a wide and extensive valley, and empties itself into the Gulf of Siam.

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3761. Have British manufactures found their way into consumption in Siam?—Very largely. I do not know any people that consume British manufactures more largely, the population being considered, except probably the inhabitants of the island of Java.

3762. You state that there are 80 or 90 junks trading between China and Siam; can you state what articles are carried in those junks?—A great variety of articles; sugar, pepper, gamboge, great quantities of wood for furniture, hides, tin, bones of animals, which I believe are partly used as manure, and partly in the manufacture of certain utensils.

3763. What are the articles of British manufacture chiefly in demand there?—Chintzes, and white cloth, and woollens, and now a considerable quantity of cotton twist.

Lunæ, 29° die Martii, 1830.

Robert Rickards, Esquire, again called in; and Examined.

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3764. YOU presented to the Committee a calculation of the profit and loss of one year's investments of the China trade in 1820–21, being the last year which you considered to be complete in the several items necessary to make up that charge; have you, since making up that account, made up a similar account for any other years of the 14 to which the tables allude?—It appeared to me, at my former examination, that there were some objections made to the statement I then delivered in, in consequence of the amounts of tea purchased in China, and the quantities sold in this country not corresponding. That induced me to refer again to the official documents; and I found, upon examination, that there were sundry years in those documents when the purchases and the sales more nearly agreed. I have therefore got now with me three statements, one of which is for the first year of the series contained in the Tables No. 31, 32 and 33 of Papers, &c. 4th June 1829, or 1814–15; the other is for the last year of the series, or 1827–28; and the other is an average of the whole period. The two first of these statements, being for the first and last years of this period, and the Committee being in possession of a statement for one of the central years, I next cast up all the columns of the Tables 31, 32 and 33, and thence deduced an average of the purchases, sales and charges for the whole period; and the three statements, thus prepared, are delivered in as containing the results of this investigation.

[*The witness delivered in the same, Nos.* 1, 2, *and* 3, *which were read, as follows*:]

No. 1.

STATEMENT to show the apparent result of the East India Company's Tea Trade, on the Quantity purchased in Canton in 1814–15, and a corresponding Quantity sold in 1815–16; and taking the Charges in China and in England at the same Amount as particularized in the official Document before referred to for 1820–21.—(*Vide* Parliamentary Papers, 14th May 1824.)

	£.		£.
Cost of 26,195,144 lbs. of tea exported by the East India Company from Canton to England in 1814–15, as per No. 32 of "Papers relating to the trade with India and China," 4th June 1829 - - - - - - -	1,743,081	Sale amount of 26,234,244 lbs. of tea in 1815–16, as per No. 33 of "Papers relating to the Trade with India and China, 4th June 1829" - - - - - - - - -	4,102,668
Freight and demurrage, as per No. 31 of d° d°	1,680,682		
Charges in China and England, as before -	618,849		
£.	4,042,612		
Profit -	60,056		
	4,102,668		
Interest on home bond-debt as per No. 21 of "Papers relating to the Finances of India, &c. Feb. 1830," for the year 1815–16 - -	235,967	Profit brought down - -	60,056
Dividends on stock as per d° - d° for d° -	629,902	Deficiency - - -	805,813
£.	865,869	£.	865,869

N. B.—In this Account the sale-amount of tea, it will be observed, exceeds the quantity reported from China; but if five per cent (as in the other statements) be allowed for wastage, and accordingly deducted from the sale-price, it will exhibit a loss on this account of 145,077 *l.* instead of the small profit above stated, and therefore make the whole deficiency 1,010,946 *l.*

No. 2.

No. 2.

STATEMENT to show the apparent result of the East India Company's Tea Trade, on the Quantity purchased in Canton in 1827–8, and a corresponding Quantity sold in 1828-9, and taking the Charges in China and England at the same Amount as particularized in the official Document for 1820–21.

	£.		£.
Cost in 1827–8 of 31,593,176 lbs. of tea, exported by the East India Company to England, as per No. 32 of "Papers relating to the Trade with India and China," 4th June 1829	1,981,419*	Sale amount of 30,269,508 lbs. of tea, in 1828–9, as per No. 41 of "Papers relating to the Trade of India and China," February 1830, being a quantity (with the allowance of 5 per cent for wastage) equal to that purchased in 1827-8	3,527,057
Freight and demurrage, as per No. 31 of ditto	783,759		
Charges in China and England, as before	618,849		
	3,384,027		
Profit	143,030		
£.	3,527,057		
Interest on home-debt for 1828–9, as per No. 21 of "Papers," &c. February 1830	158,124	Profit brought down	143,030
Dividends on stock for ditto, as per ditto	629,071	Deficiency	644,165
£.	787,195	£.	787,195

* It may be remarked of this sum, that 30,269,508 lbs. of tea, in the proportions given of the different sorts in the document of No. 41 above referred to, would according to the prices of the period quoted in the Canton Price Current, cost 1,936,588 *l.*, a sum so nearly corresponding with that in the above statement, that we may conclude the prices generally of the price-currents are those at which the Company's purchases or contracts are made.

† In No. 33 of "Papers relating to the Trade with India and China," the sale amount of 1828–9 is stated at 3,286,272 *l.* on 28,230,383 lbs. This would exhibit an actual loss instead of profit, as compared with prime cost and charges. There is indeed a discrepancy in the official documents as to the quantities of tea sold in this year, which the authorities at the India House can alone explain.

In No. 33 of Papers, &c. as above, the quantity sold is stated to be	28,230,383 lbs.
In No. 38 of the same Papers	29,982,080
In No. 41 of the "Papers," February 1830	30,269,502

I have taken the larger quantity and sum, as above stated, from the Papers of 1830, as appearing to afford a more unobjectionable comparison with the quantity of tea purchased. The result is a small profit, but leaving an ultimate deficiency, as compared with "interest on bond-debt, and dividends," of more than the *whole* amount of the dividends.

Of the item for freight and demurrage, it may be added, that if on further inquiry it should be found to contain Indian as well as Chinese freights, it may still not exceed the average of freights exclusively Chinese for a series of years; since the average of the commercial freights and demurrage given in No. 31 is no less in the 15 years herein specified than 854,008 *l.* Any surplus, however, that may be included in the above-mentioned charge for freight and demurrage, would be counterbalanced by the avowed loss on exports to China, and other items of loss and charge which might be added to this account.

No. 3.

STATEMENT to show the apparent result of the Company's Tea Trade, calculated on an average of the 14 Years contained in the Tables, Nos. 31, 32 and 33 of "Papers relating to the Trade with India and China," 4 June 1829, or from 1814–15 to 1827–28 inclusive, and taking the charges in China, and England at the same amount as in 1820–21.

	£.		£.
Cost of 28,129,230 lbs. of tea, being the average of the quantities exported from Canton to England for 14 years, as per No. 32 of the "Papers" referred to	1,819,788	Sale-amount of 25,870,764 lbs. of tea, being the average of 14 years sales, as per Table No. 33 of the "Papers," &c. above referred to	3,583,484
Average of the commercial freight and demurrage for the same period, as per No. 31 of the same Papers	867,654		
Charges in China and in England, as before	618,849		
£.	3,306,291		
Profit	277,193		
	3,583,484		
Interest on home bond-debt, average of 15 years, as per No. 21 of "Papers relating to the Finances of India," February 1830	177,352	Profit brought down	277,193
Dividends on stock, average of d°, as per d° d°	630,572	Deficiency	530,731*
£.	807,924	£.	807,924

N. B.—The difference between the export of tea from Canton, and sale-amount in England, is (after the usual allowance of 5 per cent for wastage) 852,000 lbs., and the value thereof, in proportion to the above $\frac{\text{cost}}{\text{sale}}$ prices about $\frac{55,000}{100,000}$ *l.*; but this, or whatever stock may remain on hand at the end of each year, is carried to another account in the official papers here referred to, where it is credited as an asset against other charges and debts.

An official account of the stocks on hand at the commencement and close of this period might throw further light on this subject, without in all probability materially affecting the final result.

* This deficiency is independent of the loss by fire at Canton in 1822, amounting to 380,133 *l.*, which must necessarily be included in a general statement of the China-trade.

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3765. From what documents do you take the amount of charges on the trade to China in this account for 1814, seeing that the official documents before the Committee only give the details for one year, 1820–21?—From the same official documents from which I took it before, viz. for the year 1820–21, contained in the Parliamentary Papers of the 14th of May 1824.

3766. Then you assume that as the nearest to the actual amount which you are able to take?—I am obliged to do so, because it is the only official statement of charges I can find in the papers or accounts to which I have had access, and I therefore assume that the charges may be the same, or nearly the same, in each year.

3767. Do you also in the estimate of 1827–28 take that amount of charge as the supposed charge in that year?—It is the only one I have to refer to.

3768. Do you consider that the amount of deficiency stated in that paper is independent of losses by shipwreck or fire of the cargo?—Entirely.

3769. Does not the insurance charged in 1821, of which you have assumed an average, provide for losses of that kind?—For sea-risk I presume it does; but not for the fire at Canton in 1822.

3770. Are the Committee to understand that the result of your examination of the official documents before the Committee, is, that whether you take the year 1814–15, the year 1820–21, or the year 1827–28, or the average of the whole number of 14 years, the profits of the China trade have not been adequate to pay the interest of the bond-debts in England, and the dividends of stock?—In the three statements now delivered in, and the statements I before delivered in to the Committee, I have given the best and the fairest view I can extract from the official documents referred to of the result of the Company's China-trade. If there is any error or omission in those documents, for such error or omission I am of course not responsible; but supposing the official documents to be correct, or even nearly so, the result, I conceive, must be admitted to be a strong corroboration of the abstract position I set out with on my first examination, which was, that the profits of the Company's concern were inadequate to the payment in England of the items I have inserted in these statements, videlicet, the interest on the home bond-debt, and the dividends on stock. As before mentioned, I do not pretend to deliver in these statements as perfectly accurate; they may be liable to some deductions, but they are also liable to some additional charges. Of whatever adjustments, however, these accounts may be susceptible, the general conclusion I have drawn from them will not, I apprehend, be invalidated; and if there is not a sufficiency of profit on the Company's trade to pay the dividends on stock, and the interest on their home bond-debt, the only inference is, as I stated in 1813, that these items of charge can be no otherwise defrayed than from borrowed money, or the territorial revenues of India.

3771. Will you explain the principle upon which you have formed the statements you have delivered in?—The statements I delivered in on my former examination, related wholly to the China-trade. I explained to the Committee at that time that I placed the interest on the home bond-debt and the dividends on stock, against the profits upon that trade, because I take it to be the only source of profit to the East India Company in their commercial concerns. The export trade to China, as I stated before, on official authority, was admitted to be a losing concern, averaging between 60,000 *l.* and 70,000 *l.* per annum. The trade to and from India was also admitted to be a losing concern; and as it was quite obvious that neither dividends nor interest could be paid out of losses, I knew not where else to place this interest and dividends but against the profits upon the China trade.

3772. Did you leave out territorial considerations altogether?—My argument is, that these items of charge are in fact paid out of the territorial profits.

3773. In those calculations, you have set the interest of the home bond-debt against the profits of the China-trade; but are you aware that the interest of the home bond-debt is a disputed charge between the territorial and the commercial departments?—I know that the East India Company state it to be doubtful what part belongs to the commerce, and what to the territorial department; but I think it is quite obvious, from the general tenor of the accounts, that their home bond-debt can be only considered like the rest of their capital, as money originally raised for commercial purposes: and therefore the interest to be chargeable in the same way as the dividends, on this branch of their concerns. This too I take to be the intention of the Act of the 53 Geo. 3, sec. 57, by which interest and dividends are expressly chargeable, in the first instance, upon the commercial profits of the Company.

pany. It is only stated in a subsequent section, that where the profits are unequal to the payment of the dividends, they are to be paid out of the surplus territorial revenues of India.

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3774. There appears in No. 23 of the Parliamentary Papers laid before this Committee by order of His Majesty, 1815, assets, goods on hand, of the value of 5,006,359 *l.*; and there appears on the 1st of May 1829, goods, assets on hand, of the value of 5,597,959 *l.*; is it not necessary to have the detail of the amount of tea on hand at those respective periods, as forming part of those assets, in order accurately to ascertain the correctness of your statement?—I have stated in a memorandum at the foot of this statement No. 3, that such an account would be desirable.

3775. Will it not be necessary, with the same view, that you should have a detail of the commercial freight and demurrage charged in account No. 31 of the Parliamentary Papers 285 of the year 1829, for the years 1814–15, 1820–21, and 1827–28, the years for which you have made up the accounts, in order to ascertain whether any and what portion of that aggregate charge belongs to the Indian trade?—Certainly it would be desirable to have the details of freight, &c. for the whole period, in order to give a fair average thereof for the 14 years included in my statement.

3776. Are the Committee to understand, that in your account you have taken the column, headed "Commercial Freight and Demurrage," in account No. 31?—That, and that alone.

3777. Do not you suppose, that in the first years of that column a considerable part of this charge for freight and demurrage arises out of the Company's freight to India?—I explained in my former examination that there were no documents which enabled me to separate the Indian from the Chinese freight; neither does it appear clear from this table, No. 31, whether it is or is not intended to include the Indian freight. It is probable enough that it does include the Indian freights as well as the Chinese; but having no official document to rest upon, I thought it best, as before explained, to take the figures as I found them in this document, and to state my reasons for so doing, admitting at the same time the probability of the Indian freight being included. Now if that freight is included, knowing as we do that the East India Company have of late years taken up ships for India at the rate of from 9 *l.* to 12 *l.* a ton; and referring to another document in this collection, wherein the Indian tonnage for the year 1821 is given at somewhere about 6,000 tons; it is therefore obvious that in the case supposed we should only have to deduct about 60,000 *l.* or 70,000 *l.* for Indian freight from the amount copied into my statement; and if so, this excess of charge may be thought to be fully counterbalanced by the admitted loss on the Company's export trade.

3778. Will it be necessary that the Committee should have before them an account of the wastage or loss suffered by the Company on the importation of their teas, with a view of ascertaining the accuracy of your accounts?—That would be also desirable; for as there is no official document in these papers to show what the amount of that wastage is, it can only be taken on an estimate of what private individuals have sustained in the same course of trade.

3779. You have made these calculations entirely from the Parliamentary Papers, without taking into consideration at what price the tale has been converted into the pound sterling?—I have taken the whole cost of the teas in China at the rate stated in the official documents.

3780. Would a considerable difference appear in the result of your calculations supposing the tale should have been estimated at 6 *s.* 8 *d.*, being only 6 *s.* in reality?—That would of course make a difference in the conversion of tales into sterling money; but with that exchange I have nothing to do here. The prime cost of the tea to the Company is officially stated in No. 32 of these papers to be so many pounds sterling, and that amount I have taken; in other words, I assume that the teas have actually cost the Company so many pounds sterling, because it is so officially certified.

3781. In making that calculation, had you regard to the annual accounts laid before Parliament, of the statement of the commercial profits of the Company which are here consolidated in No. 21 of these papers?—I have looked at that account.

3782. Do you believe that account to be correct from your examination?—I dare say it is correct as far as it goes. It bears the official signature of Mr. Leach, and purports to be furnished from the India Board Office.

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3783. Does not that account show a profit to the Company upon their transactions?—I cannot perceive it.

3784. Have the goodness to refer to No. 23, at the bottom of the page, where you will find a memorandum, which states, that the "amount set apart from surplus commercial profits for liquidation of debt, subsequent to 1st May 1814, and not deemed re-payable by the territory," has amounted in several years to a very large sum; altogether to 4,923,021 *l.*?—I perceive a memorandum to that effect tacked to the bottom of the account No. 23; but I cannot find out where the profit comes from; it certainly does not arise out of this account.

3785. Your evidence goes to state, that the dividend and the interest on the bond is paid out of the territorial revenues of India; whereas those accounts state that the charges paid in England on account of the territory by the commercial branch, exceed the advances made in India to the commercial branch for the purpose of buying tea at Canton?—It is so stated in this memorandum. Profit is the balance of a commercial account, after a fair and full deduction of every description of charge, and there is no such account, that I can find, in this collection, to show a real profit upon the Company's commercial concerns.

3786. Are you aware that it has never been admitted on the part of the Company, that the interest of the bond-debts is chargeable upon the commerce?—I have seen it so stated; but my authority is the Act of Parliament.

3787. Are you not aware that the Company, in the accounts they presented to Parliament, have regularly appended a note to reserve their claims to the bond-debt?—I have seen intimations to this effect.

3788. Are you aware that the China ships are employed sometimes in carrying out troops and stores?—I am.

3789. Do you suppose that the freight and demurrage upon ships so employed is fairly to be taken as chargeable entirely upon the commercial account?—Not on the commercial account. The political freight and demurrage is stated separately in this very table, No. 31; viz. in the second column.

3790. You are understood to state, that after a strict examination of Paper No. 21, you cannot perceive that any profit arises to the Company upon their general trade?—I cannot; neither can I find out whence this profit arises. The memorandum alluded to struck me at the time I first inspected these accounts; and, upon examining the two next accounts, 24 and 25, which may be considered as a kind of riders to the other general Account 23, for they also contain a general statement of the debts and assets of the East India Company, the one as the same stood on the 1st of May 1815, and the other on the 1st of May 1828, a fresh difficulty presented itself. In the first of those Accounts, No. 24, after placing the whole of the assets against their debts, and estimating the former at their own valuation, there is a "balance deficient" stated in this account of 2,611,311 *l.*, and on the account 1828 there is a "balance deficient" of 10,102,812 *l.*, thus showing that the Company's affairs have deteriorated between 1815 and 1828, in no less sum than about 7 ½ millions sterling. These therefore are obviously not the accounts that would indicate any thing like profit in the Company's concerns.

3791. What, in your estimation, would be the reduction in the price of tea to the consumer in this country, if the Company's monopoly were done away with?—I stated that fully in my former examination.

3792. Would that reduction be effected by a saving in the price of shipping, or the original cost-price in Canton?—Both the one and the other.

3793. In what degree?—I have given it in detail in the statement (B.) delivered in upon my former examination.

3794. In the event of the monopoly ceasing, and supposing that in consequence of that the persons who now trade to China had recourse to smuggling much more than it now exists, would not that diminish the disposition of the Chinese government to cultivate commercial relations with this country?—It does not appear to me that the opening the trade to China would increase the disposition to smuggling. There are only certain articles the import or export of which are prohibited in China; one of those articles, opium, for example, I conceive to be of such indispensable necessity to the Chinese of all ranks, that it would be imported in despite of any duties or laws to the contrary; but with regard to all other articles of trade, I see no reason why smuggling should be increased from the circumstance of the trade being opened; or if it did increase in consequence of enormous duties or unjust laws, the Chinese government, with whom alone the regulation of this

matter

matter rests, would doubtless modify the system as soon as they should find it to be for their own interest to do so.

3795. Would not you say that the smuggling is at present of less consideration to the Chinese government than it would be if the trade were thrown open?—As far as I am acquainted with the China-trade, I do not believe that smuggling is a subject of so much consequence in the estimation of the Chinese government as it appears to be in ours, or else that they would take more effective measures for preventing it. There is no doubt that the Chinese authorities connive at the importation of opium into China. They are generally understood secretly to sanction it; besides which, a despotic government like that of China cannot fail to benefit itself in a variety of ways besides that of collecting legal duties.

3796. Will you explain your reasons for thinking that in case of the competition of an open trade, the cost-price teas would be lower in China?—The Company, as it appears from the records in print, are in the habit of disposing of certain quantities of exports from this country, woollens, for example, to the Hong merchants; and they require the Hong merchants, who enter into contracts with them for teas, to take certain quantities of those articles in proportion to the amount of teas contracted for. It is very natural that the supercargoes should require as large a price as possible for the articles thus disposed of to the Hong merchants; but the latter pretend at least that on the re-sale of the articles they are subject to loss. In proportion therefore as they give high, or (as they say) to them, losing prices for the articles they take from the Company, they will as naturally demand higher prices for their teas in return. The Company's transactions with the Hong merchants are thus virtually a trade of barter. I have therefore no doubt in my own mind, that if the trade was thrown open, and the teas purchased for real ready-money prices by private merchants, they would be enabled to procure this article, if not immediately, at least in the course of a short time, at a cheaper rate than it is now paid for by the India Company.

3797. Then the export of British manufactures from this country to China to that extent would cease?—My impression is that the export would be incalculably increased, and that for the reasons I have explained in my former examination.

3798. You are understood to state that those articles now exported appear to be taken by compulsion?—In the case I have supposed of free trade, there could be neither compulsion nor undue influence used. A private merchant must sell his goods for what he can get; if he cannot get a high price for those goods he must take a lower one.

3799. Are the goods much in demand in China after they are sold to the Hong merchants by the East India Company?—I conceive they are; but the Hong merchants are obliged to take them at a higher price than they themselves admit to be profitable to them.

3800. Do they take them at a higher price than is given to the American importers?—I have no access to American sales; but the Hong merchanta, so far as we can learn from public records, state, or at least it has been stated for them, that they are losers by the woollens and metals they have taken at the Company's prices; it is therefore natural to conclude, that if they have been losers, they will put that loss upon the tea which the Company require to take from them in return.

3801. Have you examined the prices of teas at Canton sufficiently to be able to say whether the merchants of other countries purchased them at a lower cost price than the Company?—I know that some private merchants have; those that have brought home tea in the privileged tonnage of the Company's ships.

3802. Can you state whether it is the case with the American trade?—I have no document at hand to prove it; and I am unwilling to advance any thing as a fact without adequate authority; but I may add that I have generally understood it to be the case.

3803. Do you happen to know the rate of freight at which the East India Company now charter their ships for a direct voyage to and from China?—I can only state that too from general information; because there is no official document for it in the papers now before me; but it is generally understood that the Company's large ships cost them from 20 *l.* to 25 *l.* a ton, including the Company's own ships, and taking into account the whole period of their present charter. At present the rate of freight is, I believe, somewhat lower.

3804. Do you mean the ships now contracted for?—Yes; I mean the whole fleet of 1,200-ton ships.

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3805. Will you be good enough to state the rate of freight at which you think you could yourself charter a first-rate merchant ship from this country for a voyage to Canton and back?—I have never, of course, had occasion to freight a ship from England to Canton and back; but I have no doubt that it may be done at the rate of about 12 *l.* per ton for the whole voyage; besides which, if the trade were free, many ships would make successful voyages to India, the Eastern islands or other parts, and thence to China; in which cases, 8 *l.* to 10 *l.* per ton would amply remunerate them as a homeward freight.

3806. Do you conceive that the articles of British manufacture imported into China from this country are sold there at a lower rate by the Americans than the same articles imported into China by the Company?—That I cannot tell, never having seen the account-sales of an American consignment; but I conclude that they have upon the whole sold them at a profit, because otherwise I think they would not have carried on so large a trade as they have done for such a length of time.

3807. Do you conceive the Company have fixed too high a price upon those articles?—I cannot positively tell what the actual price of the Company is, compared with the prime cost of the article, without seeing official documents for the purpose; but, whatever that price is, the Company have of themselves stated that it has been attended with regular loss to them.

3808. And yet you consider that the reason of the high price of tea, as purchased by the Company, is the high price which they place on articles of British manufactures exported by them to China, by which, according to your account, they are losers?—The prices for which the woollens are sold in China may produce the effect which I have explained on the price of tea, and yet be very possibly a losing concern to the East India Company; for the *prices* of the Company's teas, and the *gain* or *loss* on their exports, are not regulated by a common ratio or measure. Those exports, in addition to prime cost, being loaded with certain charges, might be sold to the Hong merchants at a price, which would either yield a gain or a loss to the East India Company. In the present instance, it is stated to be a loss; and I do not myself see how that *loss* is to be at all mixed up with the prices which the Hong merchants charge on the tea to the Company. The price of the tea will be affected by the *actual prices* charged on the woollens to the Hong merchants, whether that be gain or loss to the Company.

3809. You are understood to state, that the reason why the East India Company purchased their tea so disadvantageously in your opinion, is on account of their compelling the Hong merchants to purchase their English manufactures at the high rate which they choose to affix upon them?—I have stated that as one cause; that is, that the *actual prices*, not the *gain* or *loss*, on the woollens, would naturally affect the price of tea; but I have no doubt, also, that if the trade to Canton was thrown open, and free competition allowed between buyers and sellers, that free competition would have the effect of increasing production, and of lowering prices, in the same way that competition produces the same effect in all other parts of the world, and in all other branches of trade.

3810. Does not this competition, in point of fact, at present exist with respect to other nations trading at this time in competition with the East India Company?—There are no other nations that trade to China to any extent, that I am aware of, except the Americans; and the Americans cannot carry goods to China upon the same favourable terms that British traders could do, if they were freely admitted into the trade. I therefore think that the present prices of tea to the Company admit of no fair comparison with the rates at which they could be procured by British traders, if they were allowed free access to the port at Canton.

3811. In what respect do the Americans now trading suffer disadvantages which would not be applicable to the English free traders, supposing the trade were thrown open?—I explained that fully in my former examination. I explained how the facilities which British and Indian traders could reciprocally give to each other by means of free access to the port of Canton, was, in my estimation at least, a matter of so much national importance as to be entitled to the most serious consideration. The superior advantages hence resulting to British traders would not be confined to advantages over Americans alone, but over all the other traders of the world, and not only in respect of Canton itself, but for the conveyance of produce, both British and Asiatic, to various other countries.

3812. Do you consider that there can be a free competition of trade carried on at Canton?—I have not the least doubt of it.

3813. And

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3813. And that the establishment of the Hong would form no obstacle to such free competition?—From all that I have heard of the Hong merchants in China, and their disposition towards the free traders who proceed from India to China, I cannot for a moment doubt their willingness to promote, and not to obstruct, a perfectly free trade with Canton.

3814. Do you consider that the articles of British manufacture which are found the most saleable at Canton could be sold at a lower rate than they are in point of fact sold by the East India Company, and still at a remunerating price?—I think they might.

3815. Is it to be collected from the answer you have already given, that you consider dollars to be the article with which the trade can be most advantageously carried on with regard to the trade at Canton?—At present it is commonly supposed that dollars are the article most to be depended on for the purpose of purchasing commodities in the China market. In certain proportions they are perhaps the most advantageous under the present limited circumstances of the trade; but if the trade was thrown open I conceive that a great change would take place in the general course thereof, much the same as has taken place in India. Formerly it was thought necessary to carry bullion to India; at present we find that there is no necessity for conveying either gold or silver to India; that goods will answer as well, and in some cases better; and I do conceive that in the course of perhaps the same time which has been occupied in giving a taste to the Indians for British manufactures, the same effect will probably be produced upon the Chinese.

3816. Do you mean to say that at this time any other cargo will be an equally profitable investment in the Indian trade with dollars?—Certainly I do; I say that from perfect knowledge of the fact.

3817. Has the export trade to India been uniformly a profitable one?—I do not say uniformly. In all great branches of trade, like that which exists between England and India, there must inevitably be losses. I believe there is no other great branch of trade, out of Great Britain, in which losses are not equally experienced; but I do say that, upon the whole the export trade to India has been profitable to those concerned in it. I could myself state instances where I know that consignments of goods from this country to Bombay have yielded a profit of upwards of 50 per cent.

3818. Do you conceive that any portion of those losses has accrued from consignments of dollars to India?—No; my position is, that dollars are not now sent to India; and certainly no consignment of dollars would ever yield such a profit as I have before stated.

3819. Are you not aware of many severe losses incurred in the export trade to India?—I have heard of losses, and I have no doubt that many losses have been incurred, but I am not particularly acquainted with any.

3820. Are you not aware of many consignments of European goods to Calcutta, having been sold under European prime cost on many occasions?—In large branches of trade, like that between India and England, consignments will be often sent to India that are ill calculated for the Indian market. At the first opening of the trade, several manufacturers in this country, and other speculators, anxious to get rid of old stocks, sent out those stocks to India, in utter ignorance as to whether they were or were not fit for the Indian market. Many of those consignments certainly sold at a considerable loss; but where goods are sent out to India well suited to the market, (any many of such goods have passed through my own hands,) I know, and speak positively, to their being attended with profit to the consignors.

3821. Do you consider that the losses which may have taken place in the export trade from England to India have been more or less than the losses which have taken place in other branches of export trade?—When I look at the return of the export trade from England to India, and the enormous increase that has taken place since 1813, I cannot conceive the possibility of that trade in the aggregate being otherwise than profitable.

3822. Is it not within your own knowledge, that within the last few years, and even now, considerable quantities of bullion are brought from India to Great Britain?—Certainly it is. And this is another marked change in the history of European intercourse with India.

3823. Can you state what proportion of the export trade from this country has consisted of cotton?—I could not state it from recollection, or without referring to official documents; but the quantities are upon record, and I believe on the table of the Committee.

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3824. Do you know that the price of those articles has been greatly reduced in this country since the trade was partially opened?—I do know it.

3825. Has not that been the means of spreading our manufactures in India to the detriment of the manufactures in that country?—It has been the means of widely spreading the use of British manufactures.

3826. Have not the muslins of Glasgow superseded, in a great degree, muslins the manufacture of India?—They have; but, according to my view of the case, greatly to the advantage of India.

3827. Did you ever hear that half a million of weavers were thrown out of employment in the Dacca district?—Such is the poverty of the lower classes of Bengal, as well as in other parts of the country, that we know on the best authority that the weavers there are, as elsewhere, also cultivators of the soil; or, as they are commonly termed, ryots; and in as far as their attention is now confined, or can be confined, to one branch of business instead of being devoted to two, I conceive that the change will be greatly for their advantage. If in the interim the inhabitants of India can get Glasgow muslins at a cheaper rate than they can Dacca muslins, there can be no question about the policy of encouraging the import.

3828. Do you think that it would be of advantage to India that the whole of that class of weavers should be deprived of their employment?—I think that India is now in that state in which it would be most for its advantage to have its industry directed to the raising of raw produce, instead of to the production of dear manufactures.

3829. And to have no manufactures?—If the native Indians can be supplied with manufactures at a cheaper rate by England than they can manufacture them at home, I think it is decidedly for their advantage to take our manufactures in preference.

3830. Can you state how many millions of weavers there are in India?—I cannot.

3831. Do not you know that they are a very numerous class?—They are a numerous class; but the larger proportion of them are, as I said before, cultivators also.

3832. You have stated, that in your opinion the great introduction of cotton manufactures into India has superseded the manufactures of India; do you suppose that the government of China would allow the introduction of articles into that country which should supersede the manufactures of their own inhabitants?—The government of China would, in my opinion, act very absurdly if they interpose their authority to prevent the introduction of a commodity into China which was to benefit their own subjects, and improve their own revenue.

3833. From your knowledge of the government of China, whether absurdly or not, do you believe that they would interpose to prevent the large introduction of such manufactures?—I know nothing of the present intentions or motives of the government of China. I can only reason on the improbability of the thing, from its being so obviously at variance with the interest not only of the people, but of the government itself.

3834. Supposing they were so disposed to act in the manner suggested by the question, do you think if it were for the interest of the consumers to obtain cheap manufactures, that the government of China could prevent the introduction of manufactures into that country?—I have always considered the Chinese to be so truly a commercial and industrious a people, that if any injurious laws or regulations of that nature existed in China, they would, as they have done with regard to opium and dollars, most completely set them at nought.

3835. Supposing the ryots in India were entirely to abandon the occupation of weaving, what effect do you conceive that would have upon the agriculture of that country?—Under certain modifications of the agricultural, or rather revenue systems of India, I think it would have a very beneficial effect upon the state of agriculture generally. It would tend to the raising of various articles of raw produce in greater abundance than at present, and this is an object to which the Indians, in their present low state of civilization and wealth, might have their attention directed with the greatest prospect of benefit to themselves.

3836. Are there not opportunities of improving the agriculture of India, both by extending the quantity of surface under cultivation, and also by improving the methods of cultivation upon that which is already cultivated?—The countries that we possess in India are, generally speaking, of the most fertile and productive kind,

but

but the system of agriculture is bad in the extreme, and the wretchedness of the people equally so. Under a different system, and with improved resources, the agriculture of India would be extended not only over larger surfaces of country, but also very much improved in those parts of it which are now in a productive state.

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3837. In the most fertile parts of India are there not very considerable portions of country which are not now cultivated at all?—There is a great deal of waste land, which under a different system might be brought into cultivation; but I think that the cultivation of those lands and districts, which are now occupied and worked, might be materially improved by the application of capital, if the means were only granted for its natural accumulation. India now produces many articles of great importance and most extensive consumption in this country, and is capable, with due encouragement, of extending these supplies to meet any demand that might arise for them here.

3838. Then you conceive that the first improvement in agriculture would be to improve the cultivation of those lands which are now cultivated by the application of additional capital, rather than by bringing waste lands into cultivation?—Probably it would. I allude, however, to the advantages which would result in either or both cases from free intercourse and the accumulation of capital. The preference of one to the other would depend, in many instances, upon local circumstances and the vicinity to markets.

3839. Is it not the fact, that at the present moment European manufactures are admitted into China by the Chinese government?—They are.

3840. Are you aware, whether or not it is considered the policy of the Chinese government to exclude any species of British manufacture?—I am not aware of any regulation or law to that effect. I know that British manufactures are annually exported from this country to Canton.

3841. Are there not some laws excluding the export of their own manufactures?—There are laws prohibiting the export of silver.

3842. Do you not conceive that the course of trade now carried on between the Company's Factory at Canton and the Hong merchants resolves itself very much into a trade of barter?—Virtually it does, certainly; and as I have explained in a former answer.

3843. And therefore the prices of the British manufactured commodity on the one hand, and of the tea on the other, may be arbitrary prices, and not regulated by the prices in the market?—Certainly.

3844. Would not that explain, to a great degree, the losses which the Company state themselves to sustain upon the sale of woollens; and might it not enhance the gains which they are stated to derive upon the sale of tea in this country?—If the prime cost of tea was raised in China in consequence of this barter trade, it would rather diminish their profit in this country than increase it. A high prime cost in China would however occasion a higher upset price in the sales in this country.

3845. As long as the trade is a trade of barter, is it not difficult to say upon which part of the trade a gain or loss ensues?—It would be difficult, I think, to state the actual amount of loss on either side, as between the sale of one article and the purchase of another, but no difficulty in ascertaining the aggregate amount of loss on the whole adventure.

3846. You are aware that the Chinese manufacture a great deal of cotton into cloth of various descriptions in China?—I am.

3847. Is it within your knowledge, that the East India Company have very recently sent British manufactured cotton cloths to Canton?—It is so stated in the official documents.

3848. Would you infer from that, that there can be any disposition on the part of the Chinese to exclude the manufactured cotton cloths of this country from China?—I cannot form a conception of the Chinese being averse to receive an article into China, which is so perfectly consonant with their own wants, and their own habits.

John Crawfurd, Esq. again called in; and Examined.

John Crawfurd, Esq.

3849. HAVE you any further information to offer to the Committee in addition to the evidence you gave on a former day?—I was asked respecting the freights from China to Sincapore: I have got a short paper upon that subject which I will read; it is a statement of the freight in Chinese junks in the year 1821.—In a voyage from Saigun, in Cambodia, to Sincapore, the rates of freight in junks are as follows:

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follows: For fine goods, such as cotton and silk manufactures, 10 in 100; for tea, 10 in 100; sugar, 20 in 100; rice, 40 in 100. From Amoy and Fokien to Sincapore, the freight paid for black tea is 1 dollar 40 cents per pecul, equal to between one halfpenny and three farthings per pound.

I have also a statement of the particulars of the cargo of a junk from Amoy in Fokien, which arrived at Sincapore on the 25th January 1824, after a voyage of 13 days; burthen between 200 and 250 tons; it is as follows: Earthenware, of 32 different sizes and patterns, 660,250 pieces; flooring tiles, 10,000; coping stones, 200; black varnished paper umbrellas, 12,000; variegated ditto, 3,000; pastry, 50 boxes; confectionery, 166 boxes; dried fruit, 60 boxes; kin-chin, a kind of esculent plant, 12 bundles; dried fungus, esculent, 6 boxes; dried mushrooms, 6 boxes; dried fruit, 40 baskets; sugar-candy, 50 boxes; vermicelli, 8 boxes; salt fish, 5 baskets; kanlan, a fruit somewhat resembling an olive, and pickled in salt, 100 jars; medicines, 10 bags; silk shoes, 10 boxes; cloth ditto, 10 boxes; straw ditto, 5 boxes; incense rods, 20 boxes; lamp-oil, 10 casks; tobacco, for the market of Celebes, 350 boxes; ditto, for the use of the Chinese residents, 220 boxes; combs, 10 boxes; hair pencils, 1 box; dry salted vegetables, 40 jars; pickled ditto, 400 jars; nankeens, 100 bales; ditto, 20 boxes; gold-lace thread, 20 boxes; tea, 110 boxes. The total value of the cargo was estimated at 60,000 Spanish dollars, or near 13,000 *l.*

The next statement I have is the estimated value of the cargoes of four Chinese junks which arrived at Sincapore in 1824 and 1825. In the Canton junk which arrived at Sincapore in 1824, the value of the cargo was 75,000 dollars, burthen 600 tons. In a junk of Amoy, of the same year, the value of the cargo was 60,000 dollars, burden 225 tons; of a Canton junk that arrived in 1825, the value of the cargo was 20,000 dollars, and her burthen 375 tons, and the number of her passengers 670. In the Amoy junk that arrived in 1825, the value of the cargo was 100,000 dollars, her burthen 476 tons, and the number of her passengers 625.

I have also the particulars of the cargo of a Siamese junk which arrived at Sincapore in 1824; they are as follows: white sugar, 1,350 peculs, the value of which, at 6 Spanish dollars 50 cents per pecul, was 8,775 dollars; coarse sugar, 80 peculs, at two dollars 66 cents, value 212 dollars; fine rice, 20 koyans, at 68 dollars, 1,360 dollars; coarse rice, 25 koyans, at 55 dollars, 1,375 dollars; salt, 20 koyans, at 27 dollars, 540 dollars; oil, cocoa-nut, 150 peculs, at five dollars 66 cents, 849 dollars; stic lac, 150 peculs, at 13 dollars, 1,850 dollars; nankeens, large, 1,000 pieces, at 60 dollars per 100, 600 dollars; tobacco, 25 peculs, at 16 dollars per pecul, 400 dollars; salt fish, 50 peculs, at five dollars, 250 dollars; the total amount of Spanish dollars is 16,212.

John Stewart, Esquire, a Member of the Committee; was Examined.

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3850. HOW often have you been in China, and during what years?—I have been in China seven times. I first went to China in the year 1800. I was also there in 1803, in 1804, in 1805, in 1806, and in 1807-8; and I was there also in 1817.

3851. Had you extensive dealings with the Hong and outside merchants, when you were there?—I had, during several of the years I have mentioned; in some of the years I had no dealings with them.

3852. Will you state what opinion you have formed of them as a commercial people, or an anti-commercial people?—From the intercourse I have had with the Chinese at Canton, I certainly consider them a people of very great commercial enterprize, although I believe the policy of the Chinese government is against extending the foreign commerce of the country.

3853. Have you not visited almost every port of India?—I have.

3854. Will you state to the Committee what comparative facility for transacting business, with reference either to the captain of a ship or to the merchant, there is at Canton, compared with the facility at Madras, Bombay or Calcutta?—I think the facilities afforded by the Chinese for the transaction of commercial business at Canton are decidedly greater than at any other port of the world that I have ever visited.

3855. Were you present at Canton at any time when the commercial intercourse was interrupted between the Company and the Chinese?—Yes; I was there in 1807 or 1808, when it was suspended in consequence of Admiral Drury taking possession of the island of Macao.

3856. Will you state how the interruption began, and what were the consequences arising out of it?—Admiral Drury arrived at Macao, on the coast of China, I think,

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I think about the month of August or September 1808, and he landed a military force from his squadron, including some transports he had under his charge, and took possession of the island of Macao, with the consent, as I understood, of the Portuguese, who surrendered it on some understanding between the two nations. Immediately on this being made known at Canton the Chinese government insisted upon our troops being withdrawn, which was refused, and they immediately put a stop to all commercial intercourse with the British, and declared their determination not to renew any commercial intercourse with them until our troops were withdrawn from Macao.

3857. Did they actually suspend all commercial intercourse with English ships?—Entirely so, both with the country ships and with those of the East India Company; and on that occasion I think the suspension continued for a period of four or five months, to the best of my recollection.

3858. Had the Company's supercargoes any thing to do with the cause of that interruption?—Yes; it was understood that they had; indeed I had reason to know that the expedition was sent by the supreme government of India to take possession of Macao, in consequence of an opinion that the French had an intention of that sort, and the expedition was sent to anticipate the supposed intentions of the French. Admiral Drury came to China with orders from Lord Exmouth, who at that time commanded in chief in the Indian seas, to act in concert with the select committee of supercargoes at Canton, and that he was not to adopt any measures that did not meet with their concurrence; that fact I have heard Admiral Drury repeat himself frequently on that occasion.

3859. How was that interruption terminated?—During the four or five months that the trade was suspended, negociations were constantly going on between the Chinese authorities, and the British admiral and the select committee, and also between the Chinese authorities and commanders of the country ships, and the trade was not renewed until the whole of the troops were withdrawn; it ended in the admiral withdrawing the whole of the troops from Macao, and returning with them to India; and as soon as the troops were embarked, the trade was re-opened.

3860. Were you at Canton all that period?—I was there during the whole of that time.

3861. Had you any opportunity of knowing how the Chinese merchants considered that interruption?—They considered it as a very great grievance; and I had occasion to know that it produced a great deal of misery and distress amongst the Chinese merchants and to the trade in general. I had on that occasion very large consignments of goods in my own hands; I think I had that year four or five ships and their cargoes consigned to me at Canton. At the period that the suspension of commercial intercourse took place some of those cargoes had been sold, and some had not: those that had been sold previously were sold at very fair prices; but when I came to negociate a sale of what remained on hand, after the trade was re-opened, I found that the prices were greatly fallen, and that the ability of the purchasers to make good those prices had also been materially impaired, in consequence of the suspension of the commercial intercourse that had taken place; I was, in fact, in that year obliged to quit Canton, leaving a very large amount of money there belonging to my constituents, which I found myself utterly unable to recover that season.

3862. Did this interruption of trade affect the American ships as well as the British ships?—Not at all.

3863. Did they continue to carry on their trade during this interruption of the British trade without any difficulty?—Yes, without any difficulty.

3864. Is it your opinion that the Chinese Government would find it very difficult to put an end to the foreign commerce with England?—I think they could do it; but I am of opinion that if the Chinese government were to put an end to that commerce, it would produce great misery and distress in China, particularly at Canton, where it is carried on.

3865. Would the government, in your opinion, be strong enough to accomplish the putting an end to the trade?—My opinion is, that an edict of the emperor of China might be so enforced as to put a stop to all the regular foreign trade carried on with China; but I do not think that the Chinese government could prevent smuggling being continued on the coast of China, even if they put a stop to the regular trade.

3866. Then you do not mean to say that you think the Chinese government would have power to put a final stop to the progress of the trade?—No; I think

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that a smuggling trade would be carried on on the coast of China to a very considerable extent, in spite of any act that the Chinese government might adopt.

3867. Do you then infer that it would only change the character of the trade from a legal trade to an illegitimate one?—It would also have the effect of diminishing it very considerably. I do not think that the smuggling trade alone could be carried on to the same extent to which the legal trade and the smuggling trade together are carried on now.

3868. Would the distress arising from such a prohibition be much felt in the interior as well as in Canton?—I do not feel competent to answer that question, not having been in the interior; but I suppose in the tea provinces it would be very severely felt, in consequence of the interruption that must necessarily take place to their export of tea.

3869. Do you think that if this interruption of the trade took place, a place would not be found out in the neighbourhood of Canton to carry on the commercial transactions as they now carry them on at Canton, particularly in the tea trade?—If the trade were put a stop to by the Chinese government it would prevent any ship from being admitted into a port of China.

3870. Do you think the trade could be carried on in the neighbourhood of Canton, in any of the islands?—Yes; I imagine that tea might be conveyed, and in all probability would be conveyed to the islands on the coast of China; it might be smuggled from thence, or it might be sent in Chinese vessels to the islands in the Eastern Archipelago, and could be exported from thence.

3871. Would it be sufficient to supply the wants of this country?—If the Chinese permitted the export of tea in their own vessels, I am decidedly of opinion that a sufficient quantity might in that way be exported from China to supply the wants of all Europe.

3872. Do you suppose that they would do that under such circumstances?—I think they would; the Chinese are a people of great commercial enterprize, and I think would be disposed to send tea wherever they could find a sale for it with advantage.

3873. Have you not stated that the people are a people of commercial enterprize, but that a spirit of jealousy might exist on the part of the government?—I stated, that the people are a people of great commercial enterprize, though I have understood that the policy of the Chinese government is averse to extending its foreign commerce.

3874. Do you understand that policy on the part of the Chinese government to have any reference to the extension of their trade in Chinese junks with the Indian Archipelago, or to be limited to the trade of European vessels within the waters of China?—I have understood that the Chinese government is averse to foreign commerce, even in their own vessels, and that they discourage the subjects of their own empire from going abroad at all, or from engaging in foreign trade.

3875. Have you known any cases in which Chinese of high rank at Canton have been engaged in foreign commerce?—I have not.

3876. Have you ever known any instance of a person wishing to emigrate, or wishing to carry on foreign commerce, being prevented by the Chinese authorities?—No, I never have. When any Chinaman wishes to leave China in a British ship, he is obliged to do it by stealth; it would be prevented if it were known: I have had occasion to know this, as Chinese are sometimes employed as seamen in British ships.

3877. From your knowledge of the Indian trade generally, what do you consider would be the effect of opening the trade at Canton to the British generally?—I think the effect of it would be very favourable, especially as regards the export of British manufactures and produce, which, in my opinion, would under such circumstances be consumed in China to a very great extent indeed, in the course of a very few years.

3878. What is the ground of that opinion?—The ground of the opinion is, that woollens and metals are articles of very considerable demand amongst the Chinese; metals of every description are much required in China, and the exportation of them is strictly prohibited, except lead; that, I believe, is the only metal allowed to be exported. I conceive, therefore, that China would take off a great deal of iron, copper and tin, also of woollens and of cotton-manufactured piece-goods and cotton yarns, the consumption of all which is now on the increase in China, as I have reason to know.

3879. Are

3879. Are the Committee to understand that whatever amount of manufactures could be exported, there would be plenty of Chinese produce to bring back in return, and that there would be no difficulty in remitting money to England?—No difficulty, in my opinion, if the trade were perfectly open, as from the varied productions of China it would afford ample means of profitable returns, or at all events of returns without loss to almost any extent.

3880. What effect, in your opinion, would be produced on the general commerce of India by the opening of the trade between China and England direct?—It no doubt wouuld be very favourable to India; it would increase very considerably the exports from British India to China, because then we should be enabled to make our returns profitable from China direct to this country, which is a channel that we very much require to be opened, instead of making returns, as at present, exclusively to India, and in articles that do not always sell to a profit there.

3881. Would not that promote the exportation of all kinds of British manufactures from England to India, which are much limited by the want of means of remittance?—It would no doubt have that effect.

3882. From what you know of the character of the Chinese government, would you contemplate the opening of the trade at Canton without some established board or authority to represent the British government there?—I am of opinion that if the trade were open, it would be necessary that a body should be constituted at Canton, with ample powers to exercise a most rigid and effectual control over every British subject going to China.

3883. Do not the select Committee of the Company at Canton now exercise that authority over all their officers and seamen?—They do; they have ample power of doing so by Act of Parliament.

3884. Do you contemplate any greater authority to be exercised over Englishmen generally, than the Company have now over their own servants?—No; I should think that no greater authority would be requisite; I think their powers are very ample, and they extend to all British subjects, as well as to the servants of the Company.

3885. Do you consider that the substitution of a Committee deputed by the King would be attended to more than the select Committee from the Company now?—Yes; I am of opinion that it would be more respected by the Chinese authorities than the servants of the East India Company.

3886. On what do you ground that opinion?—A circumstance occurred in China with Admiral Drury, when I was there, which may illustrate what I have stated, although my opinion is not exclusively grounded upon it. During the negociations that were going on with Admiral Drury on that occasion he was very anxious to have a personal interview with the Viceroy of Canton, all their communications having previously been carried on through the medium of the Hong merchants. It was at one time understood that the objections of the Viceroy to this personal interview had been overcome, and it was intimated to Admiral Drury that the Viceroy was disposed to receive him. In consequence of this, Admiral Drury came up to Canton, accompanied by boats from every ship in the fleet; I was one of those that attended him on that occasion, when he landed with a considerable number of marines at Canton; but after being there two days the Viceroy refused to receive him; he returned to Whampoa without having had an interview with the Viceroy. It was stated at Canton at the time, and I have no doubt truly stated, that when the Viceroy consented to receive Admiral Drury he did so in consequence of having been informed that Admiral Drury was an officer of rank holding a commission from the King of Great Britain, and that he might consequently have admitted him to a personal interview without any degradation to his own rank as viceroy; but after the Admiral had come to Canton, he was given to understand that the Admiral had come on to China at the request or by the desire of the Governor-general of India, and the Viceroy then said that he could hold no communication with him as he was deputed by a governor or servant of the East India Company, who were only a body of merchants, and he could not in consequence receive him. That was what we understood to be the case at Canton at the time.

3887. Then from that and other opportunities of observation you have had, you think that an officer, bearing the direct authority of the King of England instead of the authority of the Company, would have a better chance of being received and treated with by the authorities of China?—Yes, I do; by the public authorities of China certainly.

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3888. As a person well acquainted with the Canton river, what is your opinion of the difficulty or dangers attending the navigation up to Whampoa?—There are fewer dangers, I think, in the Canton river than in almost any navigable river that I am acquainted with; there are several shoals as you approach the river, but they are mostly mud; upon which, if a ship grounds, she seldom receives any damage.

3889. What is the greatest strength of current?—The current is always very moderate; I should think the greatest strength does not exceed three or four miles an hour, tideways.

3890. Do you call that moderate?—Very moderate. We have it 9, 10, and sometimes even 12 miles per hour in the Ganges. In the Canton river it is tide only; but in the Ganges, the strength of the tide is often augmented by the river floods.

3891. You have stated, that the last time you were in Canton was in 1817-18; have you had any dealings with China since that period as a merchant?—Yes; I have continued ever since that period, and am now, engaged in the trade with China to a very considerable extent.

3892. During the time you were there yourself, or since your return, has any agent of yours had occasion to apply to the Company's select committee for assistance, to enable you to carry on any part of your commercial dealings?—Never.

3893. Whilst you were in China, upon any occasion, do you recollect any instance of any country officer or agent from India having occasion to apply to the Company's servants for such assistance?—I am not aware of any instance.

3894. Are you aware of the rate of freight which the Company pay for their cargoes home from China?—I understand that one of the ships last chartered by the Company, the Orwell, was engaged at 18 *l.* a ton. I understood that to be for the whole voyage out and home; but I state this only from hearsay.

3895. How long would the vessel be engaged in that voyage?—I apprehend it is about 15 or 16 months from the time they leave this country to the time when they generally return.

3896. How much of that 18 *l.* do you suppose would attach to the cargo of tea from China to London?—I should think, with reference to the rate of freight outward-bound to India now, that at least 15 *l.* or 16 *l.* of it would attach to the freight home. The outward freight to India now is, I may say, little or nothing; you may get goods out for 5 *s.* or 10 *s.* a ton.

3897. At what rate could you charter a ship, say of 500 or 600 tons, for a voyage to and from China?—I have no doubt I could charter a ship direct to Canton and back, for 10 *l.*, or at most 12 *l.* a ton; indeed I think I could charter 50 ships in the Thames at this moment on these terms.

3898. Of the size of the Orwell, do you mean?—Not of the size of the Orwell.

3899. What period do you contemplate for a direct voyage out and home to China, allowing six weeks or two months in China to deliver and receive cargo?—I should say certainly within from 10 to 12 months; but for a ship of 500 or 600 tons, we should not require six weeks, or any thing like it, at Canton.

3900. Have not large ships an advantage in Canton river, which smaller ships have not, in paying less port-charges and measurement?—Yes; they have a very great advantage, as the port-charges there upon a large ship are much lighter in proportion to her tonnage than they are upon ships of smaller burden.

3901. Have the large ships any advantage in the stowage of a tea-cargo home, over ships of 500 or 600 tons?—None, that I am aware of.

3902. Have you stowed several cargoes of tea yourself?—I never stowed a cargo of tea, but I have stowed other cargoes in ships of from 500 tons up to 1,200 tons; and I am not aware that a ship of 1,200 tons can possess any advantage in the stowage of tea over a ship of 500 of 600 tons.

3903. Do you mean to say, that the lighter port-charges which large ships pay in China is the only advantage which you know those ships possess over ships of 500 or 600 tons?—The only advantage that I am aware of as merchant ships.

3904. You are of course aware that they are calculated to be made ships of war on emergency?—They are unquestionably the finest merchant ships in the world, and very easily convertible to warlike purposes when it is necessary.

3905. Have you known it to be often necessary to use them as ships of war?—I have known several instances of it in India during the last war, not very many instances.

3906. Do

3906. Do you mean where they have received additional hands, and have been manned as frigates?—Yes, having had additional guns, and troops put on board.

3907. Is not there a great deal of piracy in the Indian seas?—Very little indeed. In the Eastern Archipelago, in the China seas, there are some pirates, and also on the coast of China; but in the Indian seas it is a thing at present almost unknown. In the Persian Gulf there are some Arab pirates, I believe.

3908. Have not the ships you have known employed as ships of war been generally 800 and 900-ton ships; did you ever know a China ship so employed?—Yes, I recollect on one occasion, that four Bombay and China ships, of 1,200 tons each, in the year 1804 or 1805, were all armed before they left Bombay, in consequence of there not being sufficient convoy there to accompany them to China. Admiral Linois had appeared upon the coast of Ceylon, and taken the Brunswick a few weeks before; they had with them a small ship, the Sir Edward Hughes, that had formerly been in the Company's service, but she was not reckoned sufficient protection without arming the ships also.

3909. With respect to the other ships that you have known armed as frigates, have not they generally been the smaller class of Company's ships?—I am not aware of any instance at this moment, except the Sir Edward Hughes, and another small ship of 800 tons, the name of which I forget.

3910. During the time you were in the East India private trade were there any 1,200-ton ships in that trade between Bombay and China?—Several from Bombay.

3911. Are there any of them now in that trade?—None.

3912. What ships are now used principally for the China-trade to Canton?—From Bombay the ships are generally from 600 to 800 tons; there is one of nearly 1,000 tons; formerly there were five or six 1,200-ton ships.

3913. Do you know any reason why those large ships have been discontinued in the trade to China, if it is so advantageous to trade to Canton in large ships?—I apprehend it has arisen in a great measure from the difficulty that private merchants would often have in fitting out a large ship, from the additional capital beyond what would be required to trade with a smaller ship. It is much more within the compass of a private merchant to trade with a ship of 600 or 700 tons than with one of 1,200 tons; and I have reason to know also, with regard to several of the 1,200-ton ships built at Bombay for the country trade, that they have now fallen into the regular trade of the East India Company, because their owners were able to transfer them to the Company on more advantageous terms than could have been expected by keeping them in the trade from Bombay to China.

3914. Can a large ship be built at as cheap a rate per ton as a small one?—Generally speaking, I think not; they require a larger scantling of timber; and crooked timber, when it exceeds a certain size, is very expensive indeed.

3915. Can you form an estimate of the difference per ton?—I cannot, without previous calculation from an estimate.

3916. Is not the advantage gained in the measurement-duty on a 1,200-ton ship at Canton counterbalanced by the inconvenience of being obliged to load and unload below Whampoa?—I should think that the advantage gained by the size, with regard to the port-charges, is greater than the disadvantage arising from the circumstance mentioned, of being obliged to load partly below the second bar; they very seldom unload there, and I believe that they might load wholly at Whampoa, but it certainly lessens the risk to send them below the second bar to complete their cargoes.

3917. At what rate per ton could you estimate the advantage that a 1,200-ton ship has over a 600-ton ship in the payment of Canton port-charges?—I should not estimate it above 2 *l.* per ton; but I feel a difficulty in giving an opinion upon the question without going into a calculation.

3918. From your own experience, what class of ships do you think best calculated to carry on the trade between England and China?—I should say, from 600 to 800 tons.

3919. You stated that the Viceroy objected to receive Admiral Drury, when he believed that he was deputed by the Governor-general, acting under a company of merchants; are you aware that the select committee are in the habit of direct intercourse with the Viceroy?—No, I am not aware of that.

3920. Do you know that they never do go to the Viceroy?—I never heard of the select committee going personally to the Viceroy.

3921. Are the large ships of 1,200 tons suited to any other trade in the East but the China trade?—I think not; not so well suited as the smaller ships.

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3922. Would not it be an additional motive to a merchant to employ a smaller-sized ship, that his ship was applicable to other trades, if he wished to apply it to them?—No doubt it would.

3923. Do not ships often return from Canton to India in ballast?—They often return with very small cargoes indeed; just enough to serve as ballast.

3924. What is the actual amount of freight which is now paid from England to Calcutta and back?—I cannot speak with regard to Calcutta: but I know that within the last 18 months or two years the house of which I am a member has chartered several ships from England to Bombay and back, at rates not exceeding 8 *l.* or 9 *l.* sterling a ton.

3925. You have stated that it would require 10 *l.* or 12 *l.* a ton to charter a ship to Canton; would the voyage be much longer from England to Canton than from England to Bombay?—About a couple of months.

3926. What is the cause of the great difference in the freight?—I calculate upon the owner of the ship having to pay the port-charges at Canton.

3927. Do you happen to know whether there is a considerable charge for demurrage upon the Company's ships in the Canton river?—I have understood that there is a charge for demurrage if they are detained beyond their time.

3928. Is it not a fact that there is a much larger charge for demurrage for the Company's ships than there is, commonly speaking, upon ships carrying on private trade?—I am unable to answer that question.

3929. Do you know what was the charge for demurrage upon the Company's ships at the time of the interruption of the trade, in consequence of Admiral Drury's affair?—I do not.

3930. Are you aware that a large number of Chinese find their way out of China in Portuguese ships, and that there is no considerable difficulty in their leaving the country?—There is no great difficulty; a great many find their way out in English ships, and ships of all nations. They receive them on board at night, after the ship leaves the river.

3931. When you speak of the request in which metals are in China, do you mean manufactures of metal, or do you mean metal in an unmanufactured state?—I meant to apply that to metals in an unmanufactured state.

3932. You have spoken of the great advantage it would be to merchants in the country trade to be able to bring a return-cargo immediately from China to England; is it your opinion that if the trade were opened the principal proportion of it would take that course; namely, from England to India, from India to China, and from China back to England?—I think a very considerable proportion of it would take that course; I mean out of the goods sent from India to China a considerable part of the proceeds would come from China to England, and go out to India again in the manufactures of this country.

3933. Do you think that the trade between this country and China would be carried on in a great measure through India, or direct from here to Canton and back?—I think a considerable portion of it would be carried on through India, and also a great portion of it direct to China.

3934. Should you esteem it a great advantage to British private merchants to be admitted to China, supposing their present monopoly to be reserved to the Company?—I should certainly consider it a great advantage.

3935. You mentioned several articles as likely to come from China; what other articles are there besides?—Silk of every description, both manufactured and raw, and a variety of articles—camphor, cassia, musk, &c. and many other things.

3936. Could China supply a great quantity of raw silk?—A great deal.

3937. Are not those articles imported now by the officers of the Company to the full extent of the demand in London?—I should say not to the full extent of the demand, because we import a considerable quantity of China goods circuitously through India.

3938. Are you aware what has been the out-turn of the adventures from China to England these last few years?—I have no knowledge of that.

3939. Have you any reason to believe that it has been a gaining trade?—I have no reason to believe either that, or otherwise.

Martis, 30° die Martii, 1830.

Charles Poulett Thomson, Esq. a Member of the Committee, Examined.

C. Poulett Thomson, Esq. M. P. 30 March 1830.

3940. DID you see Mr. Cushing, and explain to him that a summons had been issued by this Committee to require his attendance?—I did.

3941. Did you state to him that the Committee would not enforce by all the means in its power that summons if he had a decided objection to attending?—I stated to Mr. Cushing that it was the anxious desire of the Committee that he should attend. He expressed himself, as he had done before, extremely unwilling to come and give evidence. He however gave me no positive answer as to what he would do, but he requested time to reflect upon it. On the following day he sent me the letter, which I have proposed giving in to the Committee, in which he declines attending, because he considers it impracticable for him to give evidence without injuring the interests of his friends in America, and without acting against the feelings of friends whom he has.

3942. Did you understand from Mr. Cushing that his objections were so strong that he would probably be induced, at considerable personal inconvenience, to leave the country rather than comply with the summons, if it was peremptorily enforced? — I did.

3493. Is not Mr. Cushing a citizen of the United States, who has resided a great number of years at Canton?—He is.

3944. Did you give him to understand, that the Committee would not enforce the summons if it was unpleasant to him to come?—I gave him to understand that the Committee were very anxious that he should attend, but that if he positively objected, I did not think it likely that the Committee would enforce his attendance at all inconvenience, and at all risk to him.

Joshua Bates, Esq. again called in; and Examined.

Joshua Bates, Esq.

3945. IN the purchase of tea at Canton, in what money is the transaction settled between the Chinese and the purchaser?—In tales.

3946. Is the tale a current coin in China, or is it a money of account?—It is a money of account, there is no coin of that kind.

3947. Does it represent a certain quantity of silver?—The tale is a weight, containing 579 $\frac{3}{10}$ English grains; it is used as a weight, also as a money of account.

3948. But uniformly the purchases of tea are calculated in tales?—They are, uniformly.

3949. Is there any course of exchange between Canton and this country?—A regular quotation of exchange is given in letters from Canton.

3950. Can bills be drawn according to the rate so quoted?—They are so negociated to a very considerable amount, and I judge could be to a much larger amount.

3951. To what amount have you known bills drawn from China upon this country?—£. 40 or 50,000 *l.* at a time.

3952. And you think they may be negociated to a much larger amount?—I have no doubt they can, as a remittance for the proceeds of opium, which would do away with the necessity of smuggling silver.

3953. Can you state what, according to the latest advices received from Canton, is the rate of exchange between Canton and this country?—The latest date I have seen is newspaper authority, but it is probably correct, gives it at 3/11 sterling per dollar for bills at six months sight. In speaking of the bills thus likely to be negociated or negociating at 3/11, I think it embraces an amount of about 100,000 *l.* within my knowledge.

3954. With such a bill, drawn upon any house of credit in England at that rate of exchange, could teas be purchased at Canton?—With the proceeds of such bills teas could be purchased.

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3955. The rate of exchange being 3/11, can you state to the Committee what would be the value of the tale?—It would be 5/5 $\frac{3}{7}$°.

3956. Is not 3/11 an unusually low rate of exchange, for the dollar?—It is not low for the last year or two; it has been gradually lowering for several years.

3957. What has been for the last five years the average rate of exchange between Canton and London?—I have no means of answering the question here; I should think it might have been 4/1 or 4/2.

3958. Do you think it has been more than 4/2?—Certainly not more.

3959. Can you state at 4/2 what would be the value of the tale?—5/9 $\frac{3}{7}\frac{3}{2}$.

3960. By what calculation do you convert tales into dollars, or dollars into tales?—Seventy-two candarins are equal to a dollar; and I take 100 dollars at 4/2, and divide it by 72 for the value of the tale in sterling.

3961. How many candarins are there in a tale?—There are 100 candarins in a tale.

3962. So that a dollar is to a tale as 72 is to 100?—It is.

3963. Is that a fixed proportion between the tale and the dollar, or is it one that varies?—I do not remember to have seen anything which would lead me to believe that it varies.

3964. Then the variation in the exchange turns upon the varied price of the dollar, and not upon the tale?—I think there may be a variation in silver; that the dollar may sometimes sell at a premium; but I observe, that taking the weight of the dollar, and taking the number of grains in a tale, that 72 hundredth parts of a tale are just the weight of a Spanish dollar.

3965. Are you aware that it was stated to a Committee of the House of Lords in the year 1821, that the tale had been rated for 100 years past in the transactions of the East India Company with China at 6/8?—I never heard of 6/8 as the value of a tale till the question came up here before this Committee.

3966. What would be the value of the tale in exchange for dollars at 4/3$\frac{1}{2}$?—Six shillings, nearly.

3967. Have they been as high as 4/3$\frac{1}{2}$ in the course of exchange in the last five years?—I think not.

3968. In the evidence you gave before this Committee on a former occasion, you stated that in your opinion the tea consumed in this country cost the public about 1,500,000 *l.* more than it would be if brought on private account; do you include in the calculation upon which that statement was formed, the increased charge thrown on the prime cost from the rate at which the tale is converted by the Company into English money?—That enters into the calculation; but I should take the teas as they are bought, and take the exchange as it exists, or has been for some years, and the actual prices obtained here. I stated 1,500,000 *l.* in round numbers; I believe the difference is more; it may be 100,000 *l.* or 200,000 *l.* more; but I was not aware that it was important to go so near as that.

3969. You stated in your former evidence that in estimating the profits of the Company beyond the profits which a private merchant would require, to amount to a million and a half, you have referred to the tables laid before Parliament, stating the prime cost at Canton; in making that estimate did you allow for the value of the tale as estimated on one hand by the Company, and on the other as ascertained by the course of exchange?—I made reference to the printed accounts of the tea exported, for the purpose of getting at the quantity, and I was not aware that 6*s.* 8 *d.* was the mode of valuing the tale at the time; it would certainly make a difference in any rough calculation which I have made, but I went upon another calculation also, that of the usual profit, which we are satisfied with on teas, and taking the cost of teas at Canton, with the expenses, and the prices obtained at the Company's sales, I ascertained the profit which I conceived ought to be made by the Company on the importation of teas to this country.

3970. If the tale is really worth at the rate of exchange 5/6, and is estimated in the prime cost at 6/8, is there not an increase put on that prime cost of nearly 20 per cent, namely the difference between 5/6 and 6/8?—Certainly there is; it would make that difference in the calculation.

3971. Are you aware of the provision in the Act of the 24 Geo. 3, c. 38, the Commutation Act, which provides that upon all teas put up for sale by the East

India Company, the upset price shall not exceed the prime cost thereof, with the freight and charges of importation, together with lawful interest from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea-risk incurred thereon?---I was not aware that there was such a provision in the Act.

3972. Suppose a mercantile house had a contract for supplying any foreign article, cotton for instance, and it were a condition of that contract that the *bonâ fide* prime cost of the article abroad, together with the freight and charges of importation, and the other charges referred to in the Act, which has been quoted, should determine the price to be paid by the contractor, would such a mercantile house be warranted in calculating the prime cost abroad at a higher rate than the existing course of exchange between the foreign country and this country, at the time when the article was paid for in that foreign country?—I see no other mode of estimating the cost of any article abroad than by taking the course of exchange into the calculation.

3973. Have any of the teas bought by the American merchants been paid for by bills drawn upon this country?—Of late they have been paid for in that way, or rather the funds have been created in that way. The Bank of the United States issue bills, and mercantile houses in America give credits on London.

3974. Then the prime cost of such teas is ascertained by the bills so drawn?—That is the accurate mode of ascertaining their cost-price.

3975. Supposing such law to exist as that which has been stated in one of the questions recently put, will not the upset price which was referred to in that law be raised by rating the tale at 6 *s.* 8 *d.* beyond what it would be, supposing the value of the tale to be such as it is, according to the rate of exchange which you now believe to prevail at Canton?—That would be the effect of it. The upset price would be increased in proportion as the tale had been overrated.

3976. Though you have stated 3 *s.* 11 *d.* to be the actual value of the dollar at Canton, according to the last rate of exchange, and although that may be the rate of exchange for any transaction of a moderate amount, do you suppose it probable or possible that the East India Company could for so large an amount as what they would require for the whole of their investment, realize so favourable an exchange?—I should say there would be no difficulty whatever; that drafts to a very large amount are wanted for remitting the proceeds of the smuggled opium, and that those bills would be very current in Bombay or Bengal for remittances to this country, and are always in demand for such purpose.

3977. Do you suppose that the same exchange could be realized by the Company for so large an amount as they would require for their investments?—It might make a little difference in the exchange, but if I recollect rightly, there are four or five millions of dollars in Sycee silver annually smuggled out from Canton, no doubt at some disadvantage of charges for hazard, &c. I should think for all that sum the parties would prefer to take bills.

3978. Do not the Company now pay for the quantity of tea which they purchase by the sales of opium, and by bills upon India, and in various ways?—I have no doubt they do; the sales of opium, however, are not on their account at Canton; that is country trade.

3979. Supposing the same quantity of tea to be required for the consumption of this country, and all the circumstances of the trade between India and China to remain the same, would the exchange be altered if the trade were thrown open, instead of being a monopoly in the hands of the Company?—I should think the exchange would very soon fall even lower than 3 *s.* 11 *d.*; that has been the case with Bengal.

3980. What circumstances have caused so low a rate of exchange to prevail as 3 *s.* 11 *d.* per dollar at Canton?—I presume it must be owing to the large importations of opium, and perhaps to some increase in the importations of British manufactures.

3981. How do you account for dollars being considered by Americans so favourable a provision as a means of purchase of tea, when the exchange is so low?—The Americans have, until lately, carried dollars to a great extent, on the calculation that they can transact their business with less charge of commission on that account; but they have of late taken credits or bills in many instances; and I con-

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ceive it will turn in the same manner as it has in Bengal. Formerly dollars were carried there; now they are no longer carried.

3982. What is the price of the dollar at present in London?—The price of the ounce is 4/8 7/8; 866 ounces make 1,000 dollars, which would bring it near 4/1 1/4 per dollar.

3983. Would not this trade, like all others, be paid for in specie, or by drawing bills according as the rate of exchange might vary;—Undoubtedly the course of exchange would fluctuate, as in any other trade, if left to itself.

3984. You stated that you thought if the trade were thrown open the exchange would fall still lower; for what reason do you entertain that opinion?—My belief is, that the exports to that country would be very much increased.

3985. Do you mean the export of British commodities?—Of British commodities.

3986. Are you prepared to give in to the Committee the calculation upon which you come to the conclusion that the Company derive a million and a half more profit than would remunerate the private trader?—I have no calculation made, but I can give the Committee the materials for making one. I can give the cost of a given quantity of tea at Canton, and taking the freight and charges, and the sale-price here, the profit is ascertaiued; and I should state that in these times 10 per cent is considered a fair mercantile profit, and all gain beyond that would be so much gained by the Company beyond a fair profit; that is, private traders would sell their teas at a price so low that would leave only 10 per cent profit, and probably even at less, and be satisfied.

3987. What allowance ought to be made for wastage of the teas?—Very little.

3988. As much as 5 per cent?—I should think not; perhaps 2 1/2 per cent.

3989. Will you have the goodness to state to the Committee some of the materials of your calculation?—Take Congou tea of the past year; I find the contract price of the highest quality is 29 tales, that would be about 13 1/2 *d.* per lb. I would add for the freight 3 *d.* per pound, there would then be about 2 1/2 per cent loss of interest, as I am calculating for it to be paid for with the proceeds of bills drawn at six months sight, and the teas would arrive here before the bills would be presented and I suppose the charges here are about 2 1/2 per cent. There would be another 2 1/2 per cent for the insurance, making altogether 7 1/2 per cent, which upon 13 1/2 *d.* would be 101 hundredths of a penny, and then you have 17 5/100 *d.*, as the cost and expenses of bringing the tea here; I add 10 1/2 for profit.

3990. Have you made any allowance for wastage?—That is embraced in the calculation of the cost per pound, in converting the peculs into pounds, and the tales into pence; I include that in the 13 1/2 *d.* The total comes to 18 86/100 *d.* I find that the highest sale price of Congou was 3/1 1/2 *d.* Perhaps it would be safer to take the second price of Congou, that is 2/7, that is the price obtained at the last sale of the East India Company.

3991. In making this calculation do you calculate upon having a profit upon the outward cargo?—None whatever. I have taken the freight at which ships can be chartered for the voyage out and home.

3992. Do you consider 10 per cent a sufficient profit upon an adventure of that kind?—Ten per cent I should consider a brilliant profit.

3993. You mean 10 per cent beyond interest of money?—I have estimated interest of money in the charges.

Thomas Gore Lloyd, Esq. Accountant-general of the East India Company, again called in; and Examined.

T. Gore Lloyd, Esq.

3994. IN what manner do you settle the upset price of the teas at the India House?—The sterling amount of the several supplies to the Canton treasury are contrasted with the number of tales that those sterling amounts have produced, from which result we ascertain what has been the cost of one tale; for instance, we receive considerable supplies from India in cotton, and in bills of exchange, these are brought into sterling money at the intrinsic value of silver at the Mint-price, and against this is stated the several products in tales in China; the consignments from England are also stated at their invoice cost, and on the other side is stated the number of tales

tales that consignments have produced. In the year 1828–29 it was ascertained that we had supplied the Canton treasury to the amount of 2,213,022 *l.* sterling, which had produced in China 6,931,592 tales, thus ascertaining the cost of a tale to be 6/4 $\frac{6}{7}\frac{2}{0}\frac{4}{0}$ ths. After the rate of the tale is ascertained in the manner I have before mentioned, we add freight and demurrage. This freight and demurrage is what we call the commercial freight and demurrage, all that the ship has earned in her political capacity being deducted. We also add the expenses of landing, housing, warehousing, carting, preparing for sale, and all charges of merchandise. We add an insurance of three per cent on the cost, with the premium covered; we add interest on the cost and insurance, two years; on freight and charges, one year, at five per cent per annum; we add also the supercargoes commission two per cent on net sale-amount, deducting charges.

3995. Have you prepared any statement for the information of the Committee? —I have prepared an account, showing the rate per tale at which funds for the China investment were provided in season 1828–29, and I have also prepared an estimate of the cost, freight and charges of each species of tea per pound imported in the year 1829, calculated in the manner I have stated.

[*The witness delivered in the same, which were read, as follow:*]

No. 1.—AN ACCOUNT showing the Rate per Tale at which FUNDS for the CHINA INVESTMENT were provided in Season 1828–29.

Balance of cash and available assets in China, end of season 1827–28, calculated at the rate per tale of that season; viz. 6, 7,^{442} per tale -		£. 81,040	- - - - - - - - -	Tales	244,827
Supplies from India and England, 1828–29.			Amount realized in China, 1828–29.		
BENGAL:	£.				
Invoice amount of cotton, calculated according to the intrinsic value of the Sicca rupee at the Mint-price of silver; viz. 5/2 per oz. - - - - - - -	234,043	- - -			
Freight of cotton by country ships, payable at Bengal, calculated at the same rate - - - -	20,280	- - -	Produced in China -	Tales	850,518
Commanders cotton-bonds, d° d°	98,350	- - -	Received - d° - - -		326,718
Bills drawn on Bengal - d° d°	562,592	- - -	- D° - - d° - - -		1,964,421
MADRAS:					
Invoice amount of cotton, calculated at the intrinsic value of the Madras rupee, as before - -	103,152	- - -	Produced - d° - - -		267,980
D° d° sandal-wood d° d°	14,198	- - -	- D° - - d° - - -		65,728
BOMBAY:					
Invoice amount of cotton, calculated at the intrinsic value of the Madras rupee, as before - -	94,291	- - -	- D° - - d° - - -		379,005
Freight of cotton by country ships, payable at Bombay, calculated at the same rate - - - -	1,894	- - -			
Commanders' cotton-bonds, d° d°	53,480	- - -	Received - d° - - -		184,159
ENGLAND:					
Invoice amount of consignments -	717,504	- - -	Produced - d° - - -		2,164,133
Bills and certificates drawn on the Court - - - - - -	135,813	- - -	Received - d° - - -		484,514
Supracargoes commission on the above outward trade, payable in England - - - - - -	24,772				
Freight of consignments from India to China, as above, by Europe ships, payable in England - -	71,613		Total amount realized in China for supplies of the year - - - - - - -		6,687,176
Total amount of supplies from India and England, including charges payable in India and England on account of the same - -		2,131,982	Deduct, Amount paid for interest in the year -		6,932,003 411
		£. 2,213,022		Tales - -	6,931,592

or at 6. 4,^{624} per tale, or 4. 7, ^{169}per dollar.

East India House, 12th November 1829.

Tho. G. Lloyd, Acct Genl.

T. Gore Lloyd, Esq.

30 March 1830.

No. 2.—ESTIMATE of the Cost, Freight, and Charges of

	BOHEA.	CONGOU Winter Purchases, and below Contract.
Prime cost, calculating the tale 6 *s.* 4,^{624}*d.* the actual cost of a tale in China, season 1828–29 (*calculating the supplies from India to China according to the intrinsic value of the coins at the Mint-price of silver*) as per No. 1.	*s.* *d.* – 9,^{666}	*s.* *d.* – 11,^{679}
Freight and Demurrage	– 4,^{200}	– 4,^{200}
Expenses of landing, housing, warehouse-room, carting, preparing for sale, and all charges of merchandise	– 1,^{600}	– 1,^{600}
Insurance 3 per cent on cost, premium covered	– –,^{299}	– –,^{361}
Interest on cost and insurance two years, on freight and charges, one year at 5 per cent per annum	– 1,^{287}	– 1,^{494}
Supracargoes commission, 2 per cent on net sale-amount, deducting charges	– –,^{261}	– –,^{394}
	1 5,^{313}	1 7,^{723}

The cost of the supplies furnished China through India is here calculated at the intrinsic value by the Board of Commissioners for the affairs of India, in the transactions between the territory charges. The cost of the tale at these latter, or the Board's rates, would be 6 *s.* 10,^{417}*d.* instead of

East India House,
12th November 1829.

3996. When was the value of the rupee settled by the Board of Control?—In the year 1814; the document, I believe, is before Parliament. There was a scheme prepared for the separation of the accounts, in conformity with the Act of 1813, which was laid before Parliament, and printed.

3997. When you talk of the standard value, under what authority does the Company determine the rate of exchange to be regulated by the standard value of the silver of this country?—That was the proposition that the Court of Directors have supported in a negociation with the Board of Commissioners respecting the rate of the rupee. It only has reference to the transactions between India and China, but no reference to consignments from England to China.

3998. Then if it has only reference to the transactions between India and China, why does it govern the transactions between China and England?—Because the Company, in its commercial capacity, is charged with whatever supplies India remits for the provision of the China investment. The Court of Directors urged it to be an equitable rate to be established between the two branches for all those transactions. The commerce was in the continual habit of making advances on account of the territory; and the court contended that the rupee should be charged to them at its intrinsic value, according to the Mint-price of silver, or 5/2 per oz.

3999. Supposing this, which the Company determined to be an equitable rate in its trade between India and China, should turn out to be a rate far above the prime cost, as declared by the course of exchange between China and England, would it not be a contravention of the Act of Parliament, which requires that the upset price of the teas should be valued at the prime cost?—I apprehend not, for this reason, that the rupee actually costs the commerce more.

4000. What is there in the Act of Parliament which has reference to the rupee, in determining the prime cost of teas in China?—Inasmuch as the Company draw a part

each Species of Tea per Pound, imported in the Year 1829.

CONGOU Contract.	CAMPOI.	SOUCHONG.	TWANKAY.	HYSON SKIN.	HYSON.
s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
1 4,^{150}	1 7,^{738}	1 11,^{022}	1 4,^{000}	1 4,^{466}	2 2,^{720}
– 4,^{290}	– 4,^{200}	– 4,^{200}	– 5,^{250}	– 5,^{250}	– 5,^{250}
– 1,^{600}	– 1,^{600}	– 1,^{600}	– 1,^{600}	– 1,^{600}	– 1,^{600}
– –,^{499}	– –,^{610}	– –,^{712}	– –,^{495}	– –,^{500}	– –,^{926}
– 1,^{955}	– 2,^{325}	– 2,^{663}	– 1,^{992}	– 2,^{040}	– 3,^{097}
– –,^{437}	– –,^{479}	– –,^{538}	– –,^{422}	– –,^{437}	– –,^{826}
2 –,^{841}	2 4,^{982}	2 8,^{795}	2 1,^{759}	2 2,^{302}	3 2,^{319}

of the Indian coins, at the Mint-price of standard silver, instead of the rate affixed to those coins and commerce; by this operation the teas are put up at a price below their actual cost and 6 *s.* 4,^{624}*d.* as above.

Thos. G. Lloyd,
Acct Genl.

a part of the supplies for the provision of their China investment by using their credit on India.

4001. Suppose that the remittances from India to China should involve a loss of 100 per cent above the prime cost at which teas might be procured in China by any other persons than the Company; do you think that that loss ought to be fairly charged to the prime cost of the teas in China in settling the upset price in England?—I apprehend that whatever be the loss, it is what the teas have cost the Company.

4002. In the money of Bengal?—And the return they get for it.

4003. Supposing the value of the rupee to be 1 *s.* 10 *d.* at Calcutta; at what price do you estimate it in the adjustment of the account between India and China, and between China and England respectively?—The adjustment that we make, as between the territory and commerce, is at the rate fixed by the Board of Commissioners for the rupee, that is 2/3$\frac{8}{10}\frac{4}{0}\frac{0}{0}$; therefore I conceive that in charging 2 *s.* as has been done in the upset-price of teas, that upset-price has been less than the tea has actually cost the Company; inasmuch as they have charged 2 *s.* for that for which they have paid 2/3 $\frac{8}{10}\frac{4}{0}\frac{0}{0}$.

4004. In the paper you have delivered in it is stated, that in part-provision for the purchases of teas in China there had been drawn, by bills from China on the Court of Directors, for the season 1828–29, the sum of 135,813 *l.*, for which there have been received in China 484,514 tales; that being the only part of this account in which there is a direct transaction between China and London for the cost of that money delivered into the Company's treasury in China; be so good as to state to the Committee what has been the price of the tale upon that transaction?—About 5 *s.* 7 *d.*

4005. Is that not the result of the direct exchange between China and London, as exemplified by the actual transactions of the Company?—Certainly.

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4006. If the direct exchange makes the tale to cost only 5/7, must not the whole difference between that and the exchange of 6/4 and 624 decimals, be a loss to the Company, arising from the circuitous manner in which their funds are placed in Canton, or from the way in which the money is calculated?—It is quite clear that if the money be obtained by bills upon England the tale would of course give considerably less than it does by the consignment of merchandise from India and England. We did not place the tale by consignment of goods from this country in that year at the same rate that we might have obtained it by bills upon the court, and therefore the difference between the 6/4 and 5/7 is to be attributed to the mode in which the Company carried on their business.

4007. Then in fact they lost by their consignment of merchandise?—Yes, as compared with the rate of exchange for bills on England.

4008. And so they did by the goods sent from India?—Yes.

4009. Supposing the goods sent from India had been calculated at 1/10 for a rupee, what would have been the value of the tale then?—It would take some time to make the calculation; it is about 2 *d.* in the rupee upon all the rupees that have been furnished through India; it would not have made a very considerable difference in the tale on the final result.

4010. You have stated that the real cost of the tale to the Company is 6/10 and 417 decimals, so that the loss by this mode of supply must be the difference between 5/7 and 6/10 and 417 decimals?—It is so, presuming we could have obtained all our supplies by means of bills, which I conceive to be extremely doubtful. I think it very questionable whether we could have obtained bills for two millions sterling upon the court in one season.

4011. Can you state how much of the money paid into the Company's treasury in Canton has arisen from the sale of goods there, and how much from exchange operations?—The exchange operations are, "Bills upon Bengal, 562,592," and "Bills upon England, 135,813;" making together 698,405.

4012. Can you state to the Committee what loss you suppose to have arisen from the bills drawn on Bengal?—For the bills drawn on Bengal we pay the territory at the rate of 2 *s.* 3 *d.* $\frac{84}{100}$.

4013. What is its intrinsic value according to the exchange?—The exchange I apprehend at that time was about 1 *s.* 11 *d.*

4014. Should not you consider that the Act of Parliament directing the mode in which the upset price of the teas should be fixed, meant that it should be done according to the actual cost of the teas to the Company, and not according to any arbitrary valuation of the rupee, or of any other coin?—I apprehend, certainly, that the Act of Parliament intended the teas should be put up at what they cost the Company; and by the operation we pursue I conceive we fully comply with the Act of Parliament, because it actually has cost the Company to place the tale there so much money as I have stated in the account I have delivered in.

4015. Could not the Company have placed the tale there, by your own statement, at a much more reasonable rate?—By drawing bills, certainly.

4016. Then must not your revenues in Bengal have been benefited to the extent of the larger price that has been put upon the tale, in so far as concerns that portion of the money which has been drawn upon Bengal?—The revenues of Bengal have been benefited by the difference between the exchange of Bengal upon England, and the rate of 2 *s.* 3^{84}*d.*, which is nearly 5 *d.* in the rupee.

4017. And to that extent the upset price of the teas of the Company has been increased in the amount?—The upset price has certainly been increased in consequence of the mode we adopt; but not to the full extent of the difference, because the upset price has resulted from calculating the rupee at the intrinsic value.

4018. Could you, looking at this paper, state to the Committee what is the per-centage of difference between the cost, as you have stated it to have been calculated, and the cost as it would be if it had been taken at the rate of the direct exchange?—It would make about 14 per cent.

Jovis, 1° *die Aprilis*, 1830.

THE Petition of Merchants, &c. of His Majesty's Colony of the Cape of Good Hope, presented to the House on the 9th day of March last, and then referred to this Committee, was again read.

Abraham Borradaile, Esq. called in; and Examined.

A. Borradaile, Esq. 1 April 1830.

4019. YOU are resident in London?—I am.

4020. What is your situation as connected with the Cape of Good Hope?—I have been a merchant trading to the Cape for the last 12 or 13 years; I am chairman of the committee of the Cape Society, and the petition before the Committee was sent to me through the medium of the Commercial Exchange Committee at the Cape, begging that I would get it presented to Parliament.

4021. Are you prepared to support the allegations of the petition?—I am, perfectly.

4022. Can you state in what way the colony of the Cape suffer injury from the East India Company's mode of exercising their exclusive right of supplying the Cape with tea?—In the first place the East India Company charge a higher price for tea than would be charged by a private merchant, if he were allowed to import it direct from China to the Cape. The next grievance is, that only two of the East India Company's ships are allowed to touch there, which prevents the resort of shipping to the Cape, which is a thing highly advantageous to the colony. In the third place, it prevents any thing like a transit-trade, which the situation of the Cape might occasionally offer advantages for.

4023. On what ground do you say that the Company charge a higher price for the tea than the same tea could be obtained for by the private trade?—I have here a calculation of what we apprehend the cost of tea to the Company would be at the Cape, and what they sell it for.

4024. What documents did you make the calculation from?—From the notoriety of the price of tea at Canton. We have taken the price of black tea at 20 tales a pecul.

4025. At what rate of exchange?—At 6 *s.* 4*d.* the tale, British sterling; we make the tea to cost 1 *s.* a pound in China.

4026. Do you take the same rate of exchange in estimating the Company's price as you do in estimating the price which a private trader would pay?—Yes; of course it is matter of surmise to us what the Company do pay.

4027. What is the tea usually consumed at the Cape?—I believe a kind of low Souchong, or else Congo tea.

4028. What does that cost at the Company's sales there?—They sell it for about 3 *s.* 9 *d.* a pound.

4029. What, according to your calculation, is the price at which it might be purchased?—We reckon that it only costs the Company at the Cape 2 *s.* 5*d.* a pound; and that includes six per cent profit, which we are told the Company agreed to supply the Cape for.

4030. To what sort of agreement do you refer?—I cannot exactly state that, but perhaps the Commissioners of Inquiry might be able to do so. They state in their Report, "that the price at which tea is sold has not been subject to much variation; and according to the terms of the agreement made between His Majesty's Government and the Directors of the East India Company in the year 1806, ought not to have exceeded an advance of six per cent on the cost, freight and charges." I do not know of my own knowledge whether such an agreement exists, but I do know that the East India Company wrote to the Board of Trade that they gave instructions to have it supplied at those rates. A letter showing this circumstance I have in my hand; the date of the letter is the 27th August 1825, "Office of Committee of Privy Council for Trade." It is addressed to myself, signed by Thomas Lack.

Mem.—This was read by the Witness from the Commissioners official Report.

[*The same was delivered in and read, and was as follows:*]

"Office of Committee of Privy Council for Trade,

"27th August 1825.

"Sir,—The Lords of the Committee of Privy Council for Trade having had under their consideration your letters of the 13th May and 12th July last, on the subject of the tea-trade at the Cape of Good Hope, I am directed to acquaint you, that the exclusive privilege of trading in that article being legally invested in the East India Company, His Majesty's Government cannot violate that privilege;

A. Borradaile, Esq.

1 April 1830.

a representation has however been made to the Court of Directors, with respect to the mode of supplying the Cape with tea under the provisions of their charter; and it appears by a communication received from the Chairman, that the East India Company, in their original instructions to their agent at the Cape, directed him to frame his indents for the supply of that settlement with the view of the actual consumption of the colony; and that he was further directed to put up the articles to sale in small lots, and at an advance not exceeding 6 per cent on the cost, freight and charges. That these indents were framed in accordance with the recommendation of the Burgher Senate, who were consulted on this subject; and as a proof that there has been no deficiency in the supply, it is stated that the quantity of tea remaining on hand at the end of each year, for seven years past, had always been equal to the consumption of some years.

" I am, Sir, your most obedient humble servant,

(signed) " *Thomas Lack.*"

" Abraham Borradaile, Esquire,
25, Rood-lane."

4031. Have you made a calculation of the amount which you suppose the tea actually costs the Company at the Cape of Good Hope?—I have made such a calculation, which I will deliver in.

[*The witness delivered in the same, with a printed notice attached, which were read as follows*:]

Notice.

The *East India Company's Stores* will be open every Thursday, from 10 o'clock A.M. to two o'clock P.M. for the disposal of China and India goods.—Terms—cash.

Five per cent will be taken off the several articles in consequence of no vendue charges.

East India Company's Office, Jan. 22, 1822.

W. Hawkins,
Agent for the Affairs of H. E. I. Company.

ESTIMATED Cost of a Pound of Black Tea imported from Canton in a Company's Ship into the Cape of Good Hope, 1830.

	£.	s.	d.	£.	s.	d.
Taking the average cost of black tea at Canton at 20 tales per pecul of 133 ⅓ lbs., and valuing the tale at 6/4 British sterling, will cost, making allowance for breakage, &c. about, per lb. English - - - -				-	1	-
Shipping-charges at Canton 5 per cent Insurance - - - - - 5 ditto } 20 per cent, is - Dues - - - - - - - 10 ditto	-	-	2 ½			
Freight at 22 *l.* per 1,120 lb. Company's ship, is - -	-	-	4 ¾			
Customs-duty at the Cape of Good Hope 10 per cent, and valuing the tea at 3 *s.* per lb., the value now paid on by the H. E. I. Company - - - - - - - -	-	-	3 ½			
Landing, storage, postages, and other incidental expenses, may be well covered, if taken at per lb. - - - -	-	-	2 ½			
20 per cent in first cost.				-	1	1 ¼
Cost at the Cape of Good Hope, per lb. - - - -	-	-	-	-	2	1 ¼
Sale Charges:						
Five per cent allowed by the H. E. I. Company for paying *cash*, and in their advertisements taking on the sale-prices of 3/9 p erlb. is - - - - - - - - -	-	-	2 ¼			
Six per cent on *first cost and charges*, agreed the H. E. I. Company should have for their exclusive privilege - -	-	-	1 ½	-	-	3 ¾
				-	2	5

Making 2/5 per lb. the Company ought to sell their tea at, whilst they rarely sell their lowest description at less than 3/9 per lb.

4032. Have you also prepared a calculation of the price at which the same tea could be imported by a private merchant?—I have.

[*The witness delivered in the same, which was read, as follows:*]

ESTIMATED Cost of a Pound of good Black Tea, imported from Canton in a private Ship to the Cape of Good Hope.

	£.	s.	d.	£.	s.	d.
Taking the average cost of good black tea at Canton at 20 tales per pecul of 133⅓ lbs., and valuing the tale at 6/4 British sterling, will cost, making allowances for breakage, &c. &c. about				–	1	–
Charges at Canton:						
Shipping and dues about 15 per cent	–	–	1¾			
				–	–	1¾
Charges at the Cape of Good Hope:						
Freight and primage, 8 *l.* 8 *s.* per 1,120 lbs. is	–	–	1⅞	–	1	1¾
Insurance and policy, 5 per cent on 15 *d.*	–	–	–¾			
Landing-charges, storage, postage, and other incidental expenses and warehouse-rent	–	–	2½			
Customs-duty, valuing the tea at 3/ per lb., 10 per cent	–	–	3⅓	–	–	8⅓
Cost of a pound of black tea at the Cape				–	1	10⅛

If we add to this sum of 1/10⅛, cost of a pound of tea, with all charges, a profit of 25 per cent, it is presumed, if private traders will be found eager to enter into the trade, then its cost will be 2/3⅝ per lb.

4033. You have in the first statement made an allowance of 10 per cent of duties to be paid to the emperor of China on exportation; are you not aware that the emperor's duty on tea is charged in the cost of the tea?—I was not quite certain of that, and therefore I charged it both in the one and the other. I added it rather than have left it out, because it makes the calculation so much more in favour of the Company.

4034. Have you estimated the exchange of the tale at the same value in both accounts?—Yes.

4035. Are the Committee to understand, that if no export-duty is charged above the price usually quoted in Canton, both those statements will be higher by the 10 per cent which you have allowed?—Yes.

4036. You have estimated the emperor's duties, and the shipping-charges at Canton at 15 per cent; do you know whether the Chinese merchants who sell the tea, ship the tea without any charge or not?—No, I do not.

4037. You have estimated the sale at 6 *s.* 4 *d.*; supposing, according to the present rate of exchange, the sale were 5 *s.* 6 *d.*, what difference would that make in your estimate of the cost of the tea?—That would be a matter of calculation.

4038. Do you know what the actual rate of exchange by merchants, between China and the Cape, is?—There is no such thing as exchange between China and the Cape.

4039. What reason have you for believing that the freight costs the Company 22 *l.* per ton from China to the Cape of Good Hope?—From the rate at which the ships are chartered I apprehend it cannot cost them a great deal less than that.

4040. In your estimate you make the freight of the tea from China to the Cape of Good Hope cost as much as the amount starting from London to India, and then to Canton, and then back to London?—Yes; because the Company's ships never take in anything at the Cape to fill up their vacant space, and therefore we allow them the same rate in that way as if they brought the tea all the way to London.

4041. If the trade were thrown open, what return-cargo would go from the Cape to Canton?—There would be no return-cargo; it must be silver that must go; there would be no return-cargo unless the vessel filled up in the Straits in going there, and which she very likely might do.

4042. Upon what data have you taken the freight at 8 *l.* 8 *s.* per ton by the private trade?—Upon the being able to charter a ship for that sum of money.

A. Borradaile, Esq.

1 April 1830.

4043. Can you take up shipping at that rate now?—No doubt we could.

4044. Can you usually do it at about that rate?—Yes.

4045. Have you been engaged in shipping yourself?—No.

4046. Have you hired ships?—I have hired ships occasionally.

4047. And you state that estimate of 8 *l.* 8 *s.* from what you know the present prices are?—Yes.

4048. Do you charge the whole of the freight in your calculation of the private trade?—No; something might be got in freight from the Straits to China which would enable the ship-owner to bring the tea from China at that price; perhaps 2 *l.* or 3 *l.* a ton might be got in that way.

4049. Have you made the calculation upon the full amount of freight?—Yes.

4050. Then the comparison between the Company's freight and the freight upon the private trade is founded upon the same data?—It is.

4051. What is the rate of exchange at the Cape of Good Hope upon England?—The rix-dollar is 1 *s.* 6 *d.* sterling; they are at a premium of 1½ per cent upon Treasury bills.

4052. Have you any means of buying Spanish dollars at the Cape of Good Hope?—Not at present, to any extent.

4053. How then could you send them to Canton?—We could have dollars sent out from England to the Cape at no very great charge. Except a few seal-skins, that would be the only thing that could go from the Cape to Canton as a return-cargo; it must be a money-trade; we must place funds at Canton for the purchase of the teas.

4054. And the means you would adopt of obtaining funds would be by obtaining them from England?—Yes.

4055. And that forms the basis of your calculation?—Yes.

4056. If the trade were thrown open between Canton and the Cape, might not ships supply the Cape with all the articles they require, and fill up with wine or corn, or other Cape produce, and bring their full tonnage on to England?—No doubt they might.

4057. Would not that reduce the amount of tonnage which you have given in the estimate considerably?—I do not know that it would.

4058. What is the home-freight between the Cape and England at the present time?—About 3 *l.* a ton.

4059. Would not you then save 3 *l.* out of the 8 *l.* which you have stated as the freight for the whole voyage?—If you are to take a ship starting from London, and touching at the Cape, and going to Canton; but we should consider the voyage as ended when she got to the Cape.

4060. Might not a ship be contracted for from England to Canton, with liberty to touch at the Cape either going out or coming home, and would not that diminish the charge of freight on the tea very considerably?—Perhaps it might; it would be according to the rate of freight they got at the Cape.

4061. Are you aware of any tea having been bought in London and sent out to the Cape?—Yes, I bought some myself, and the Company's officers and the comptroller of the Customs laid their heads together and seized it, though they had the opinion of the Board of Trade and of the Commissioners of Excise and Customs, and the Governor of the Cape, that the tea was perfectly legal, and the tea was restored; and the most the Company's agent could do was to protest against it as an illegal importation.

4062. Has that been repeated?—Not by us, because it only realized about 2½ per cent, which was not sufficient to induce us to repeat it. It was tea which had been bought at the Company's sale in London.

4063. How much less could you have sold that tea at the Cape than the tea actually sold by the Company?—I cannot tell that; it might fetch about the Company's prices, and doing that it only left us a trifling profit, because we bought at 2/3 a pound in London what we could have bought at 1 *s.* in China; but we did it to see whether the Company would be so strict in their monopoly as even to prevent that mode of supply.

4064. Do you consider the present monopoly of the Company as injurious to the general trade of the Cape?—Exceedingly injurious.

4065. Do you find any great difficulty in remitting from the Cape the produce of English manufactures?—No, we find no difficulty; bills are at a premium of 1½ per cent; for 101 *l.* 10*s.* you can get a bill on England for 100 *l.* sterling.

4066. In

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4066. In what way do you consider the monopoly to be most injurious to the trade of he Cape?—Because the excess of price which the people are charged for the tea might be spent by them in other matters, by which the trade of the colony would be promoted; if they could get the same quantity of tea for 10,000 *l.* for which they now pay 20,000 *l.*, they might spend the other ten in promoting the trade, shipping, and every thing else belonging to the colony.

4067. Are the Committee to understand that the sale-price of the tea at the Cape is in general higher than in England?—No doubt it must be so; it is about 3/9 a pound.

4068. You have stated that only two ships from China stop at the Cape; this petition complains that the vessels trading to India are prevented from stopping at the Cape out or home, is that the fact?—That is the fact; there are two ships licensed by the Company to leave their teas there, and then go on.

4069. If the trade were open, you consider the Cape would derive benefit from private ships calling at the Cape?—Yes, I do; as an instance of that, I may mention, that during the spring of last year there were many ships chartered for Bombay and the Mauritius more than could find loading, and nearly all of those touched at the Cape as their dernier resort, by which means the merchants at the Cape got their wine brought home at 15/ a pipe instead of 30/ or 35/; besides which, they had to supply those ships with a large quantity of colonial produce, which was a beneficial trade to the colony.

4070. It is stated in the petition, that a great increase has taken place since the trade with India was opened in 1815; are the Committee to understand that the Cape has benefited by opening the trade to India?—Exceedingly.

4071. And in like manner you expect that if the trade to China was open, a further improvement in the state of the Colony would take place?—Decidedly.

4072. Is the balance of trade generally speaking in favour of the Cape of Good Hope, or in favour of Great Britain?—It is in favour of Great Britain.

4073. Is the freight from Great Britain to the Cape higher than the freight back?—The freight from Great Britain to the Cape is about 40/ a ton, and back it is about 3 *l.*

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Mr. *Alexander M'Donald*, and Mr. *Daniel Dixon*, called in; and Examined.

4074. [*To Mr. M'Donald.*] YOU have been resident at the Cape?—I have for about 32 years; I left in 1827.

4075. [*To Mr. Dixon.*] How long have you resided there?—For 13 years; from 1813 to 1826.

4076. Will you have the goodness to look at the calculations which have been delivered in by Mr. Borradaile; were you concerned in making them?—I was.

4077. Do you believe them to be correct?—I do, according to information I obtained at the Cape.

4078. According to that calculation the price of ordinary black tea, such as is consumed at the Cape, is 3/9 a pound?—The price the Company sells at is from 3/4 to 3/9; 3/9 is about the average; they have a higher class again than that, which they sell at 4/.

4079. Will you explain the mode in which the Company's teas are sold at the Cape?—The Company have a resident agent at the Cape, who sells the teas. Formerly there was a public sale on the Thursday in every week, at which the Government auctioneer attended; there were no catalogues printed, but the teas were put up by the vendue master by the single chest, at a certain price, and any person who wished to purchase took as many as he wished at that price. The duty of the auctioneer was merely to offer each separate description of tea at the price that was fixed, and to knock down the quantity called for by each individual, and there the sale closed.

4080. What is the present mode in which the teas are sold by the Company at the Cape?—The Government have now abolished the office of vendue master, and the Company do not now sell by an auctioneer; and instead of selling as they used to do at two months credit, they now sell for cash, deducting five per cent for ready money. Thursday is still kept up as the day of sale, the price of each description of tea is fixed, and any person may go upon that day and take as many chests as he pleases at those prices.

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4081. Is the tea sold at a cheaper rate now than it was formerly?—No; it is sold at the same price; there is no variation in the prices; the Company fix their own prices for the teas, and they get their own prices whatever they may be.

4082. Can you state the description of teas that are generally imported by the Company into the Cape of Good Hope, and the prices at which they are sold?—They consist of four black teas, Congo, Souchong, Sonchi, and Pekoe, and of two green teas, Hyson and Gunpowder; the Congo is generally sold at about 70 rix-dollars for 25 catty boxes, that is about 3/6 a pound; Souchong at about 80 rix-dollars for 25 catty boxes, which is about 4/ a pound; Sonchi at about 120 rix dollars for 40 catty boxes, which is about 3/7 a pound; and Pekoe at about 40 rix-dollars for 10 catty boxes, or 4/9 a pound. Hyson is sold for about 100 rix-dollars for 25 catty boxes, or about 5/ a pound; and Gunpowder for about 50 rix-dollars for 10 catty boxes, or 6/ a pound.

4083. What is the general quality of the tea imported by the Company into the Cape?—It is generally inferior, and it is much complained of.

4084. Can you furnish the Committee with a statement of the quantity of tea that has been imported into the Cape by the Company for a number of years?—I have a statement of the quantity and declared value for the last 13 years.

[*The witness delivered in the same, which was read, as follows:*]

(D.)—STATEMENT, showing the Quantity and declared Value of Tea on which the Duties of Customs have been paid at the Cape of Good Hope, from the year 1816 to 1828, both inclusive; Population for the same period.

YEARS.	POPULATION.	Weight in lbs. to 112 lbs. English.	Declared Value for Duties in Rix Dollars.	In British Sterling.
		lbs.	*R. drs.*	*£. s. d.*
1816 - -	88,486	*125,585	247,171	26,776 17 –
1817 - -	97,535	*116,222	232,445	21,307 10 –
1818 - -	98,899	*118,506	237,013	21,726 4 –
1819 - -	101,657	*106,608	212,306	20,347 – –
1820 - -	105,336	*158,788	307,577	28,194 11 –
1821 - -	110,147	93,795	187,667	14,075 – –
1822 - -	111,451	*73,965	147,930	10,478 – –
1823 - -	116,205	*77,650	154,301	11,572 11 –
1824 - -	118,300	*112,750	225,500	11,972 11 –
1825 - -	121,497	113,215	223,360	16,752 – –
1826 - -	124,320	106,512	213,066	15,980 – –
1827 - -	128,403	91,311	182,680	13,701 – –
1828 - -	132,610	77,916	141,936	10,646 – –

* In these years the weights were not returned by the Custom house, only the value in rix-dollars; but 2 *R. drs.* per lb. is understood to be the value at which duties are levied; the pounds here stated, it is presumed, will be found nearly correct.

4085. In the paper which has been delivered in by Mr. Borradaile you take for granted that you can buy the quality of tea supplied at the Cape at 20 tales a pecul, do you suppose that the Company buy the tea which is supplied at the Cape at that rate?—We have taken 20 tales, from mere information, as the price at which good black tea of that quality might be purchased.

4086. In what way do you consider the Company's monopoly in the China market has injured the Cape of Good Hope?—We consider it has injured the Cape

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Cape of Good Hope, insomuch as they have fixed the price higher than the inhabitants have been able to pay for it, and in consequence the consumption has considerably fallen off.

4087. Is it your opinion that if the tea could be sold cheaper from the state of society there, a much larger consumption would take place?—No doubt of it; four times the present amount.

4088. Do you mean to say that four times the present amount could be consumed there if private traders were allowed to enter into the trade?—[*Mr. M'Donald*] I think the consumption would be considerably increased, but I cannot say to what precise amount.

4089. During the time you have been there have the Company's prices for tea of the same quality been fixed, or have they varied every year?—I never took any notice of the variation of the prices; but I know that the Company always fix their own prices, and they sell them at those prices; formerly they used to fix the price in proportion to the exchange, and when the exchange was high naturally of course the Company altered their prices.

[*Mr. Dixon.*]—As they fixed their prices in rix-dollars, and as the dollar fluctuated it made a difference some years in the sterling prices of the teas, but they made it up in the following year, for there was a variation in the rate of exchange until the year 1826, when the dollar was fixed.

4090. Would the supply of any other articles the produce of Canton be increased if the trade were opened?—[*Mr. M'Donald.*] There is no question about it. Silks of all descriptions, and nankeens, and crockery-ware, and all the different things.

4091. Then you mean to say, that by the present restrictions upon trade the supply of all these articles for the Cape has been very much narrowed?—There is no doubt of it.

4092. And that you think has been attended with commercial injury to the society at the Cape?—I consider it has been a very great injury to the settlement.

4093. In what way do you consider the colony will be benefited by the opening of the trade to China?—It will be benefited by it in this respect: there would be an increase of shipping calling at the Cape, and there would be an interchange of commodities.

4094. What commodities have you to interchange?—We have got wines, and different things that might be sent to the eastward, and I have myself often sent them to the eastward. Wines might be sent to Sincapore, and different articles of colonial produce.

4095. Will you enumerate a few of the articles?—Butter and ivory; hides and skins of all descriptions; horns, aloes, and ostrich feathers; corn also might be sent; but I do not think corn would answer, because it is grown cheaper in India. Salt fish might be sent. It would create a spirit of enterprize in the colonists.

[*Mr. Dixon.*]—There are two articles which would be in immediate demand in China; the elephants teeth and seal-skins.

4096. Would any train-oil be sent?—I should think not.

4097. You have stated that when the exchange on England varied, the prices of tea also varied. Since the currency of the Cape was fixed, has the price of the different kinds of tea sold by the Company been also fixed?—Their prices have remained nearly stationary.

4098. Is there any other way in which ships coming from the eastward from China would promote the interest of the colony?—By discharging their cargoes from the eastward, and taking in other cargoes in return.

4099. What other cargoes?—Cargoes of wines, and other commodities for Europe.

4100. Were you at the Cape before the trade to India was opened in 1814?—[*Mr. M'Donald.*] Yes, I was there since 1798.

4101. What increase of facility did you find by the opening of the private trade to India?—Very great facility indeed; formerly we could not bring any thing from the eastward; they were under most severe restrictions, even in the time of war; when the King's ships had taken prizes to the eastward that had on board East India produce, that East India produce was under the necessity of being sold for exportation; it was not allowed to be used in the colony; then the sales took place, and the property was put under customhouse locks and keys, and a bond was given for the due exportation of those goods; and since the trade was thrown

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open, the Company's trade with India has declined very considerably, in consequence of the enterprize of private individuals entering into that trade, and importing the same qualities and the same description of goods from India that the Company used to do, and they have undersold the Company; and the consequence is, that the Company have not sold many goods for a length of time. When I left the Cape there was a large quantity of goods belonging to the Company that have remained there from the time that Mr. Pringle died; and they are now selling in their public sales for what they can get for them, and they will not probably get one half the prime cost for them.

4102. What articles are they?—Piece-goods, Bengal goods.

4103. Can the Americans deliver any articles at the Cape?—No; formerly, when there was a restriction upon the trade, the Americans used to come and buy all our prize-goods from us, which were bonded for exportation.

4104. Are you at the present moment prohibited from receiving silks, or any produce of China, except by those two Company's ships that touch there?—I believe so; direct from China; that was so when I came away.

4105.—[*Mr. Dixon.*]—Are you able to state what is the opinion of the merchants generally as to the advantages that would result from the opening the trade to China?—I can state that they are uniformly impressed with the idea that it would considerably benefit the colony, as is evident by the resolutions passed at a general meeting of the inhabitants, held at Cape Town on the 22d July 1829, under the sanction of the governor of the colony, that the teas would be got at considerably less prices than the Company sell them at the present moment, and that the consumption would be greatly increased, which would much benefit the colony. From the statement I have delivered, it appears that while the population at the Cape has been increasing, the consumption of tea has been gradually decreasing. In 1816, the amount of tea sold was 125,000 lbs., when the population was 88,000; and the amount in 1828 was 77,000 lbs. when the population was 132,000.

4106. From what authority did you take the statement you have delivered in?—The value and price of tea is taken from the custom-house declarations, and the information of the Report of the Commissioners of Inquiry, and the population from the same sources, with the exception of the two last years, which are taken from the custom-house returns only.

4107. To what causes do you attribute that great diminution?—The great falling off in the relative value of interest and of labour may be one cause, and the high price of the tea is another.

4108. Then you mean to say the price of tea remaining stationary while the price of labour and the profits of capital are reduced, the means of consumption have been lessened?—Yes.

4109. Do you know whether the Company's monopoly extends to the Mauritius?—I believe not.

4110. In the tables which you have made of the sales of tea by the Company at the Cape, and of the rate at which a private merchant could import it, have you had reference to the currency at the Cape, or to sterling money?—To sterling money.

4111. Do you grow coffee at the Cape?—No.

4112. Do you import coffee?—Yes.

4113. Are you able to state whether the importation of coffee has increased during the period that the importation of tea has decreased?—It has been progressively increasing in quantum and decreasing in value. I have taken one or two years statement of it, and I find it is from 180,000 to 220,000 lbs. weight. I take the three years of 1825, 1826 and 1827.

4114. If more nankeens and silks from China were consumed at the Cape, would not the consumption of British manufactures be diminished?—I do not think it would. The fact is, that the exportations from Great Britain of British manufactures affect more the Company's trade in piece-goods from Bengal, but there would be still the same consumption from this country, even if the nankeens from China were imported into the Cape. So far as regards silks I cannot say; but decidedly I am of opinion that the quantity of nankeens imported from China for the consumption of the colony would not interfere with any manufactures imported from this country; but I am of opinion also, that by having those articles freely coming into the colony, an opportunity might be given for exportation of these articles by transit-trade.

4115. Supposing

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4115. Supposing that the population and the wealth of the Cape are both increasing, might not there be room for an increased importation of nankeens and of other articles from China, and also room for an increased exportation of British manufactures?—There is no question of it.

4116. Is it impracticable under present circumstances for parties at the Cape of Good Hope to obtain a supply of tea from the Americans?—The Americans have not accepted the reciprocity act, and they are not allowed to trade with us at all.

4117. Have you ever received any tea at the Cape by ships coming from Sincapore or from Bengal?—There is not a pound of tea allowed to be landed from any place (except, latterly, from London,) except what is brought by the Company's ships.

4118. Are any other articles of China produce permitted indirectly to be imported into the Cape?—There are other articles.

4119. Is the Committee to understand that the Cape of Good Hope is supplied exclusively with the produce of China by the East India Company?—No; only the article of tea.

4120. Are they then supplied with other China goods through private merchants?—Through the Company's officers direct from Canton, from private sources, from Bengal, or from anywhere else.

4121. You were understood to state, that from the year 1816 down to the present time there has been a progressive diminution in the consumption of tea in the colony of the Cape of Good Hope?—The statement exhibits a little fluctuation, but a very considerable decrease in 13 years; it is not a regular progressive decrease.

4122. How are the duties levied on articles of import by the Company and by merchants generally?—By merchants they are in the first place paid *ad valorem*. When a private merchant enters his goods for importation he goes down with his invoices to the Custom house, and he gets a permit upon paying the duty upon his invoice *ad valorem*. When the Company import their tea, they get an indiscriminate order from the Custom house to land any quantity of tea they think proper, and then those teas are deposited in the Company's warehouses, and they pay the duties to the government upon the amount of the sales, and therefore it is impossible for an individual to know what quantity of teas the Company may have in store, they may have more or less than the consumption of the colony, and they generally have a greater quantity than is necessary for the consumption; but all that is known to the public is through the medium of the Customhouse upon which they pay their duties on their sales.

4123. Are you aware whether the Company's agent at the Cape has ever granted a license for a ship to go from the Cape to Canton for tea?—Never; I think he never had it in his power.

4124. Do you conceive that the circumstance of only two of the Company's ships touching at the Cape has a tendency to raise to an undue amount the price of the various articles they bring from China?—No doubt of it.

4125. To what extent do you conceive it does that?—It is impossible to say; I think the article of tea could be sold at the Cape from 30 to 40 per cent less than it is; and nankeens and silks can be sold much cheaper than they would be sold at the Company's warehouses; perhaps 25 per cent less.

4126. Do the Dutch inhabitants at the Cape consume as much tea as the English inhabitants?—I believe they do.

4127. Is the use of tea pretty general there?—Very much so.

4128. Have you ever made any estimate of how much is consumed per head?—[*Mr. Dixon.*] According to the official returns it was formerly a pound and a half per head; but that has decreased to very little above half a pound a head.

4129. Is not the quantity of tea imported by the Company into the Cape more than sufficient for the demand?—I believe it is considerably more.

4130. Is not the price much more than the inhabitants can afford to pay?—No doubt it is.

4131. Are ships in the private trade to India in the habit of touching at the Cape?—Ships from Bengal and Bombay are frequently in the habit of touching at the Cape; the Company's ships may sometimes touch, but very seldom.

4132. Are you aware whether there is any order issued by the Company, respecting their ships touching at the Cape?—I am not aware of it from my own knowledge, but from common report I understand it is.

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Thomas Gore Lloyd, Esq. Accountant-general of the East India Company, again called in; and Examined.

4133. IN the remittances made to the Company's Factory at Canton, there is the article of commanders cotton-bonds 98,000 *l.*, what is the nature of that transaction?—The nature of that transaction is, that the Court of Directors have given a privilege to their commanders to load cotton for China, with which they are supplied by the Presidencies of India; they give bonds for this at the Presidencies whence they lade, to pay for the same into the Canton treasury such an amount in tales.

4134. At what rate of exchange is that payment taken?—The rate of exchange at which it is taken there is according to the intrinsic value of the coins with which the Presidencies of India have supplied the commanders.

4135. At how much per tale is that?—At the value of a rupee at the Mint-price of silver, which is a little better than 2 *s.*, and their cotton-bonds are calculated at 210 Sicca rupees for 100 dollars.

4136. Can you state how much per tale it makes on that transaction?—About 6/1 a tale.

4137. So that the commanders get the benefit of the difference between the rate you have stated of 6/1 and 5/7, which you stated the real exchange from China to be?—The real exchange that I stated was 5/7 for bills drawn upon England; a commander places the tale in China at 6/1.

4138. Is not the difference so much profit to the commander?—I conceive not, because he pays more for his tale than he would obtain it for in exchange; he pays 6/1, whereas he could have obtained a tale by bill on England at 5/7.

4139. If he pays this money into the Company's treasury at Canton, the lower the rate of exchange is the higher amount of sterling money he gets for the money he pays in?—The operation is this, that he by his gagement pays so many tales into the China treasury, which in sterling mone .ounts to 6/1 a tale; if he obtained a tale by a bill upon England, he would place it in China at 5/7, whereas now he places it at 6/1.

4140. For every tale that the Company's commander pays in he gets a sum in sterling money; if he gets 6/1 for the tale instead of 5/7 for the tale, is it not so much for his benefit?—I apprehend the operation is mistaken; the China commander has been advanced so many Sicca rupees in India, for which he undertakes to pay into the China treasury so many tales at a stipulated rate of exchange; therefore he pays a tale, which in sterling is 6/1, that is, he places 6/1 in the Canton treasury, or gets credit for the tale at that rate; but if he drew a bill upon England he would have the tale in his possession at 5/7.

4141. Is not it clear that this money paid into the Company's treasury, costing the Company 6/1 per tale, is so much dearer to them than if they got it at the actually existing exchange of 5/7; and is it not therefore so much loss to the Company?—The Company could have obtained by means of a bill on England a tale at 5/7, and they place it at 6/1.

4142. Therefore that is so much to the prejudice of the Company, and to the profit of the Commander?—It is so.

4143. In a note to your return, it is stated that "the cost of the supplies furnished to China through India is here calculated at the intrinsic value of the India coins at the Mint-price of standard value, instead of the rate affixed to those coins by the Board of Commissioners for the Affairs of India;" in what manner have the Board of Commissioners fixed those rates?—They have fixed those rates in the arrangement for the separation of the accounts between territory and commerce, which by a clause in they Act of 1813 they were empowered to do; the Act directed that the accounts should be prepared upon that principle.

4144. Upon that principle the tale is taken at 6/10 and 417 decimals?—That would be the value of a tale, if we calculate the supplies from England at the Board's rates.

4145. If that is the rate pointed out by Act of Parliament why is it deviated from?—The rate is not pointed out by Act of Parliament, but the Board of Commissioners have fixed that rate.

4146. Then when you say that by this operation the teas are put up at a price below their actual cost and charges, do you mean to say that the real cost and charge of the tale to the Company in China is 6/10 and 417ths?—I mean so to say, if we calculate the supplies from India at the Board's rates.

4147. In taking your invoice of cotton shipped from Bengal of value according to what you call the Mint-price of silver, at 5/2, where do you find any such Mint-price?—It was the former Mint-price. I am well aware that 66 is now used where 62 formerly was; but I believe that the same standard exists as did formerly in respect of fine silver.

4148. You continue the old standard, which is no longer existing?—Yes.

4149. Will you have the goodness to explain how it is that the Company are entitled to rate the tale at 6/4, which they now do?—The valuation of the tea is made according to the actual cost to the Company in pounds sterling; they have placed so many pounds sterling for the provision for their investment in that year, which in fact has produced so many tales; the cost of one tale by that operation is 6/4, which I have stated before.

4150. Is there an investment purchased by the Company in India to be sent to the China market with which to pay for the teas?—There is, consisting of cotton.

4151. Do the Company themselves purchase the cotton, or do the Company's officers purchase the cotton?—The Company themselves purchase the cotton for their own investment in Bombay and Bengal.

4152. Do they receive that cotton in kind as part of the payment of land-revenue?—I am not well acquainted with the Indian system, but I apprehend not; I think the cotton of Bengal is purchased in the market, or by provision, through their commercial residents.

4153. Do they purchase that cotton at the market-rate?—That which is purchased in the market certainly, but that which is obtained by means of advances is not at the market-rate; it is what the commercial resident can obtain it at; it is not bought at the public market.

4154. Supposing cotton to be purchased in the market, why should the Sicca rupee be reckoned at 2/, when in fact it is only worth 1/10 or 1/11?—The Sicca rupee is stated in this account lower than what the Company in their commercial character are charged for it, without reference to the current exchange certainly; but the mode in which it operates, as a reduction of the upset-price is, that we have taken it at 2 *s.*, when in fact it cost us $2/3^{84}$.

4155. Do you mean that it is a reduction of the upset price, supposing you take the valuation put upon a rupee by the Commissioners of the Board of Control?—It is a reduction of the upset-price if we take a rupee at the Mint-price of silver, that being 2 *s.* and a fraction, and the Board's rate $2/3^{84}$.

4156. Is the Mint-price of silver the real value of the rupee at the present moment?—Not in exchange, certainly.

4157. Then supposing cotton is purchased in the markets of India for an investment to China, and purchased with rupees, would it not be purchased at the rate at which the rupee is current in India at the time?—If the East India Company were not obliged in their commercial capacity to account to the territorial branch of their affairs at the high rate as regards the value of the rupee, certainly I agree that it would be so.

4158. Are not the funds coming into the Company's treasury at China parted with for a sale of cotton; and must not the upset-price of the teas depend in part upon the price at which that cotton sells in China?—Clearly.

4159. So that if the Company were to make a fortunate adventure in their cotton trade it would lessen the upset price of the teas; and, on the other hand, if it were to make an unfortunate adventure in cotton it would increase the upset-price of the teas?—It has precisely that operation.

4160. How do you consider that the Act of Parliament justifies the Company in confounding together two totally distinct operations, and putting upon the upset-price of tea the result, either fortunate or otherwise, of their adventures in cotton?—Because I conceive that the Act of Parliament directed the Company to put up the tea at its cost; and if by a fortunate operation in commerce they place more tales in China at one time than at another, I think that the cost of the tea would be so much reduced; if, on the other hand, there is an unfortunate out-turn, the upset-price of the tea would be so much increased.

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4161. In every mercantile transaction with a foreign country is not the sale-price the produce of the goods sold valued in the money of that country?—It is so, certainly.

4162. Is not the prime cost of any article purchased in a foreign country the amount paid for it valued in the money of that country?—It is; but I think it all has reference to the pound sterling, ultimately.

4163. Is there any other way in ordinary mercantile transactions of ascertaining the value of such foreign money in British money, either of sale or prime cost, except the current rate of exchange between the foreign country and this country?—That is the ordinary process, but I think that the value, or the cost of placing any funds in a foreign country must be regulated by the pound sterling it ultimately costs me.

4164. You are of course acquainted with the Commutation Act of the 24th George 3; by the 5th section of that Act the East India Company are required from time to time to send orders for the purchase of such quantities of tea as may be requisite for the supply of this country; and that the tea so purchased shall be put up to sale at the prime cost thereof, with the other charges thereupon. Now have you any reason to believe that it is the intention of that Act that the prime cost of purchase, as therein directed, should be calculated upon a different principle from that which prevails in all other mercantile transactions?—I apprehend that the effect to the Company is precisely what I have before stated, that they have disbursed a certain amount in sterling money, for which they have placed a number of tales in China, I conceive that that is the sound principle for establishing the cost of a single tale, and thereby they have complied with the Act of Parliament.

4165. What reason have you to believe that "prime cost" in the Act of Parliament is to be construed differently from the construction put upon those words in all mercantile dealings?—I conceive that nothing can shake what I have stated, that for so many pounds sterling so many tales have been placed in China, consequently the price of one tale is so much in sterling money.

4166. Suppose the Company draws upon England 100,000 *l.* in bills from China, and the cost of the tale in those bills is 5 *s.* 5 $\frac{1}{4}$ *d.* at the present rate of exchange, is the Company justified under the Act of Parliament in charging the tea purchased with that 100,000 *l.* sterling, at a rate of exchange which gives a different value to the tale from that at which the bills were drawn?—They are perfectly justified, inasmuch as the mode by which they have supplied their Canton treasury would in that case be by the operation of a mean that they have not used, or in a very limited way.

4167. Have they not drawn bills upon the Treasury in England at a rate of exchange which gives the tale at about 5/7?—They have calculated the tale to have been furnished at that rate by bills.

4168. Is there any legal opinion to justify that construction of the Act of Parliament?—I am not aware that there is, because the necessity for it has never been apparent.

4169. Suppose an adventure made by the Company in manufactured goods from England or from India, upon which their loss should be 500 per cent, should you feel that the Act of Parliament was not strained by charging the tale at a rate which would cover that loss?—The instance is not very likely to arise; but certainly the mode which I have adopted would involve such an issue; but I apprehend the Company would never export goods upon which there may arise a loss of 500 per cent.

4170. It appears that in 1814 the Board of Control interfered to settle the value of the rupee for the territorial accounts of the Company. This Act of Parliament, fixing that the teas should be put up at prime cost, was passed long before any such interference on the part of the Board of Control; therefore how can the Company rest this construction of the Act of Parliament upon the decision of the Board of Control in 1814?—I do, inasmuch as I conceive the mode which they adopt is the actual prime cost to the Company.

4171. Are you aware that in the evidence of the late Mr. Charles Grant, given before the Committee of Foreign Trade in 1821, he stated that the invariable custom of the Company for a century had been to value the tale at 6/8?—I am aware that he did state so, and they are so valued in our common transactions, but certainly not

not for the computation of the prime cost of tea for the upset-price; we should then have run into the errors which the Committee appear to think I have already run into.

4172. Then it was not so valued invariably in the upset-price of tea?—Clearly not.

4173. To what other transactions did Mr. Grant's evidence refer?—To our profit-and-loss accounts.

4174. Must not the question of profit and loss in mercantile transactions be determined by the prime cost and the sale-prices?—It would certainly be dependent upon such an issue; but in the computation that I have made I have assumed a rate for part of our supplies less than we pay for it; but I should say that the computation of profit and loss upon an investment from China, since the rate affixed by the Board for the coins of India, should be calculated in as far as regards the return to India at the Board's rate of exchange.

4175. Are you aware that it is the custom of the Company to charge part of the freight upon the woollens that they send from England upon the prime cost of the tea at Canton?—It enters into the invoice-amount of the export.

4176. Does it enter into the real charge?—Clearly it has that effect, because it forms part of the invoice-amount, which on the other side produces so many tales, and thus enters into the computation of 6 *s.* 4 *d.* a tale.

4177. Does it influence the real amount at which the freight is paid for the export of the woollens, or is that entered upon the price of the tea?—It falls upon the price of the tea in the termination of the transaction; because, if the exports are increased in value by the amount of freight included in the invoice, and if the rate of the prime cost of the tea is increased in the same ratio, clearly it enters into the upset-price of the tea.

4178. Was the same method of calculating the prime cost of the teas in China pursued before the Board fixed the rate of exchange in 1814?—The calculations for the upset-price of tea before 1814 were made according to the rate of exchange of the day between China and England.

4179. You have stated that 135,000 *l.* was drawn upon the Treasury in England at the exchange of 5 *s.* 7 *d.* Supposing a much larger sum had been required, could those bills have been passed at the same rate of exchange?—The rate I have mentioned for the tale, in the drafts from China, was, that deducting interest included in the rate for the sight of the bill; but I apprehend that according to the usual principle, where there is a great demand for bills, the rate of exchange would have been enhanced in some degree, to what degree I am not prepared to say.

4180. Supposing that the Company did not resort to the mode which they have adopted of remitting commodities from India to China, and that they were under the necessity of paying for a considerable portion of their investments in tea by bills, is it your opinion that such investments could be drawn for upon England at the exchange of 5 *s.* 7 *d.*?—The supplies from India amount to about 1,000,000 *l.* sterling; and I think if that sum was required by the supercargoes for their bills upon the Court of Directors, a considerable increase in the rate of exchange would take place.

4181. Do you contemplate an increase equal to the par which you have stated, of 6/4 $\frac{3}{4}$?—I recollect an instance in the year 1787, before any question as regards the depreciation of the currency was mooted, in which the Company drew from Canton 1,300,000 *l.* in one year; the exchange per dollar was 5/6, making the tale 7 *s.* 7 $\frac{1}{2}$ $\frac{67}{100}$ *d.*

4182. Would you then calculate, that if the same operation was to take place now, and the Company were under the necessity of drawing bills to the whole extent of their investment in tea, that the bills probably would be at the rate which you have stated?—Probably not; because the trade between China and India has very much increased since that time; there are funds seeking remittance to India to a much greater extent than there were at that time.

4183. Since when have you estimated the tale at 6 *s.* 4 *d.*?—It varies every year according to the computation.

4184. Can you state the rate for the last 8 or 10 years?—In 1827–28, it was 6/7; in 1826–27, it was 6/3; in 1825–26, it was 6/4.

4185. You have stated, that in your opinion the real exchange of 5/7 would be much higher if the Company did not make those shipments of cotton; in that case would not other people make shipments of cotton, if cotton answered to send to China?—Certainly.

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4186. Would not those other persons want returns for the cotton?—They might want returns to India, but would probably not be in a condition to advance money for bills upon England.

4187. Therefore it would produce a demand for bills upon some place or other?—Clearly.

4188. That being the case, would not the exchange be just the same, whether the article of merchandise was shipped by the Company, or by any body else, provided it be to the same extent?—I think it would.

4189. You have stated that you think the Company justified in carrying the result of their adventures in cotton over upon their upset-price of teas; supposing the Company as a trading company generally should make any other adventure in merchandise to any part of India, the funds of which should ultimately centre in China; should you think that the mere circumstance of the funds being ultimately intended for an investment in China a justification for laying the whole result of those adventures upon the price of tea, with reference to the Act of Parliament by which they are regulated, in fixing the upset price?—I think that they would be justified, if the tales they place there cost them originally so many pounds sterling.

4190. Do you mean that the result of all their adventures, and of sometimes combined and varied adventures, whatever may be the extent of their loss or profit, should be calculated as governing the price of the tale in China?—If imports are made to India originally, with a view to send the produce of their imports to China, certainly I think so.

4191. Could you give the Committee the result in tales of each specific article of the funds furnished to China in the last year?—The bills I have stated at 5/7, that is taking the interest out of them for the sight of the bill. The part that was supplied by sale of exports from England was 6/9 $\frac{16}{100}$. The exports from India were 7/ $\frac{42}{100}$. The drafts on the Indian government were 5/9 $\frac{27}{100}$; this is taking the supplies from India at the intrinsic value of the coins.

4192. Is not, in your opinion, the difference of the exchange between all those different items, and the real exchange, which is shown by the bills, the measure of the profit and loss upon those several distinct adventures?—If you could have placed all your funds there by bills of exchange, at that rate, certainly you would have appeared to have lost by all that those several modes have cost you in excess.

4193. The exchange of Canton upon England, by the last advices, has fallen to 3/11 the dollar, giving 5/5 $\frac{1}{2}$ for the tale; to what do you attribute the progressive fall of the exchange from Canton to England of late years?—I conceive it can only arise from the want of demand for bills upon England that persons have furnished their funds for their mercantile adventures in another way.

4194. That is, that a greater quantity of merchandise has been sent either from England or from India, or from other parts to China?—Yes.

4195. If the trade were open, and the quantity of goods sent were still greater, do you not apprehend that the same result would occur in China that has occurred at Calcutta, that the exchanges would continue to be favourable to this country?—They would fall, but not below the value of remitting the bullion.

4196. You attribute the fall to the greater supply of goods sent to China?—Certainly; there is little demand for funds, by means of bills, to carry on the trade.

4197. Then of course nothing is likely in a state of peace to affect those exchanges, unfavourable to England, except a diminished supply of goods to the Chinese market?—No.

4198. Do you know whether persons at Calcutta have not found it advantageous at times to make remittances to England through Canton?—I know it has been done.

4199. Is the Committee to understand, from the printed tables of the prime cost of tea, that the tale is to be taken at 6 *s.* 4 $\frac{3}{4}$ *d.*?—No, that is for profit and loss; at the rate of 6 *s.* 8 *d.*

4200. Can you state the average value of the tale in the upset price of tea for the last ten years?—I will furnish the Committee with a statement of it.

4201. How do you explain the difference of the amount of tea purchased in Canton as compared with the sales; because in one year there appears a difference of 10,000,000 of lbs. between the amount purchased at Canton and the amount sold here? We are obliged by Act of Parliament, to keep a twelvemonths' stock, and

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and the reason for that large import was to maintain the stock at the rate prescribed by the Act.

4202. What allowance do you make for wastage?—We make about one per cent allowance for wastage, and one per cent for allowance to buyers; about two per cent is the difference between the sale-weight and the invoice-weight.

4203. In this statement of the freight and demurrage in No. 31 of the papers of last year, what proportion is to be charged to the Indian trade, and what proportion to the China trade?—Those are freight payments for the year; more ships may arrive from China in one year than another, or more from India. I cannot, without looking at the accounts, say the proportion, but I should conceive that you might take probably four to China, and the rest to India, in the proportion of about two thirds.

4204. Do the losses appear in the statement of the commercial freight?—No; the losses are stated distinctly in our computation of profit and loss; the Company's per-centage of loss since the year 1814 has been about $\frac{3}{4}$ per cent.

4205. What rate of freight do you consider to fall upon each pound of tea upon the whole?—Black tea, about $4\frac{1}{2}$ *d.*; green tea, about $5\frac{1}{2}$ *d.*

4206. Can you explain why the Company charge 3 per cent upon the insurance, when the same insurance can be done in the market at $2\frac{1}{2}$ per cent?—I am not aware that it can be done at $2\frac{1}{2}$ per cent; but this rate of insurance is submitted every year to our commercial committee; there are many gentlemen in that committee who are merchants, and they approve of the rate that we assume.

4207. How many years interest in the putting-up price do you charge upon the tea?—We charge two years upon the cost and the insurance, one year upon the freight and demurrage.

4208. Do you conceive that you are justified in charging two years interest by the Act of Parliament?—I conceive that we are justified, inasmuch as we are obliged to keep one year's consumption in the warehouse; and that from the date of the shipment to the time we realize the produce of the shipment is more than two years.

4209. Does not the Act of Parliament specify that one year's interest only is to be calculated?—No.

4210. How many years consumption have the Company by them?—One year's clear consumption.

4211. And one in transit?—Yes.

4212. Then they have only two years consumption, including the one in transit?—At the present time there are, I should think, 30,000,000 of lbs. in the warehouse.

4213. Is not the interest by Act of Parliament chargeable upon the arrival of the tea in England, and not before its arrival?—I conceive that the interest should be reckoned from the time they ship the tea to the time of its sale; the Act of Parliament only says, lawful interest of money.

4214. The words of the Act of Parliament are as follow: "That it shall not be at any time hereafter lawful for the said United Company to put up their tea for sale at any prices which shall upon the whole of the tea so put up at any one sale exceed the prime cost thereof, with the freight and charges of importation, together with lawful interest from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea-risk incurred thereon." Having heard those words, will you state upon what authority it is that more than one year's rate of interest upon the stock of tea is charged?—Because we keep a stock always in warehouse, and it is two years before the import is sold.

4215. Have you then two years stock in warehouse?—At times.

4216. Is it, or is it not, the fact, that interest upon a stock of tea calculated upon a consumption of two years is now charged upon the price?—I know that tea is not sold under two years in many cases.

4217. Do you charge interest for two years?—Yes.

4218. Is it not sold till two years after its arrival in this country?—Two years after its arrival, in great part.

4219. Will the teas of this season not be sold till 1832?—Part of it may, but we have other tea that has been a longer time in the warehouse.

4220. Are not the teas sold quarterly?—Yes, they are sold in December, March, June and September.

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4221. With reference to the 24th of Geo. 3, c. 48, at what bidding upon the upset-price might teas be purchased according to those provisions?—At 1 *d.* per pound.

4222. At what excess upon the upset-price is the Company satisfied to let the tea be sold?—At a farthing a pound under 3/4, and a halfpenny a pound above.

4223. If teas are refused at the upset-prices, are they subsequently put up without any price whatever?—They are put up without price.

4224. When will the next sale be?—There is a sale just over; the next sale will be in June.

4225. Will the sale of June 1830 be of teas that have been in the Company's warehouse two whole years at that period?—Some may, and some may not.

4226. Will the greatest part be?—I conceive that our calculation of two years is a fair average rate of interest for the whole of the period that the tea remains unsold.

4227. How much of the tea sold at the quarterly sales has been two whole years in the Company's warehouse?—I cannot tell.

4228. Is it any great proportion?—I cannot tell what proportion without looking into it.

4229. Would it be possible to furnish the Committee with the exact information?—Yes; although the teas may be put up, they are not paid for for two months afterwards.

4230. The Act of Parliament requires that the Company should have in its warehouses one year's full supply of tea for this country; do not you conceive that you have complied with the requisition of that Act of Parliament by keeping th tea which is imported in one year to the same period in the next year, and then putting it up?—I apprehend that we should only comply with the Act of Parliament by keeping a twelvemonth's consumption always in the warehouse.

4231. Will you look at No. 32 of the papers presented in June 1829, and state how the prime cost of teas in that account is calculated?—At 6/8 a tale.

IV.

MINUTES OF EVIDENCE.

Lunæ, 5° die Aprilis, 1830.

WILLIAM WARD, ESQUIRE, IN THE CHAIR.

Thomas Gore Lloyd, Esq. Accountant-general of the East India Company, again called in; and Examined.

T. Gore Lloyd, Esq. 5 April 1830.

4283. WILL you have the goodness to explain to the Committee more particularly the mode of computing the interest on the upset-price of tea?—The mode adopted is to charge an interest for six months upon the funds placed in China, for the provision of investment, from the time of their being placed there till the time of the arrival of the ships in England; and secondly, to charge 18 months interest from the arrival of the ship in England till the realization of the sale proceeds in the Company's treasury: these two sums constitute a period of two years, which appears in a Statement I formerly delivered in. It will be more clearly seen what my view is, if I deliver in an amended Statement, drawn out upon the principle I have now stated.

[*The Witness delivered in the same which is as follows:*]

No. 1.— AN ACCOUNT showing the Rate per Tale at which Funds for the China Investment were provided In Season 1828–29.

Balance of cash and available assets in China, end of season 1827-28, calculated at the rate per tale of that season; viz. 6/7,[442] per tale -		£. 81,040		Tales - -	244,827
Supplies from India and England, 1828–29.			Amount realized in China, 1828–9.		
BENGAL:					
Invoice-amount of cotton, calculated according to the intrinsic value of the Sicca rupee at the Mint-price of silver; viz. 5/2 per oz. - - - - - -	£. 234,043	- -			
Freight of cotton by country ships, payable at Bengal, calculated at the same rate - - - -	20,280	- -	Produced in China - Tales	850,518	
Commanders cotton-bonds, d° d°	98,350	- -	Received - d° - - -	326,718	
Bills drawn on Bengal - d° d°	562,592	- -	- D° - - d° - - -	1,964,421	
MADRAS:					
Invoice-amount of cotton, calculated at the intrinsic value of the Madras rupee, as above - -	103,152	- -	Produced - d° - - -	267,980	
D° d° sandal-wood d° d°	14,198	- -	- D° - - d° - - -	65,728	
Bombay:					
Invoice-amount of cotton, calculated at the intrinsic value of the Bombay rupee, as before - -	94,291	- -	- D° - - d° - - -	379,005	
Freight of cotton by country ships, payable at Bombay, calculated at the same rate - - - -	1,894	- -			
Commanders cotton-bonds, d° d°	53,480	- -	Received - d° - - -	184,159	
ENGLAND:					
Invoice-amount of consignments -	717,504	- -	Produced - d° - - -	2,164,133	
Bills and certificates drawn on the Court - - - - - -	135,813	- -	Received - d° - - -	484,514	
Supracargoes commission on the above outward trade, payable in England - - - - -	24,772				
Freight of consignments from India to China, as above, by Europe ships, payable in England -	71,613		Total amount realized in China for supplies of the year - - - - - - -		6,687,176
Total amount of supplies from India and England, including charges payable in India and England on account of the same - - -		2,131,982			6,932,003
			Deduct, Amount paid for interest in the year - -		41
		2,213,022		Tales - -	6,931,592

or at 6/4, 624 per tale, or 4/7, 169 per dollar.

East India House,
5th April 1830.

Thos. G. Lloyd,
Acct Gen.

No. 2.—Amended ESTIMATE of an Estimate delivered in by the Witness in his Examination of 31st March last.

ESTIMATE of the Cost, Freight and Charges of each Species of TEA per lb. imported in the Year 1829.

	Bohea.	Congo, Winter purchased, and below Contract.	Congo, Contract.	Campoi.	Souchong.	Twankay.	Hyson Skin.	Hyson.
Cost in China, calculating the tale at 6 *s.* 4 *d.* 624., the actual cost of a tale in China, season 1828–29, as per account of No. 1, (*calculating the supplies from India to China according to the intrinsic value of the coins at the Mint-price of silver*)	*s. d.* – 9.666	*s. d.* – 11.679	*s. d.* 1. 4.150	*s. d.* 1. 7.738	*s. d.* 1.11. 022	*s. d.* 1. 4.000	*s. d.* 1. 4.466	*s. d.* 2. 2.720
Insurance, 3 per cent on cost, premium covered	– .299	– .361	– .499	– .610	– .712	– .495	– .509	– .826
Interest, from the provision of funds in China to the arrival of the investment in England (six months on cost and insurance, a' 5 per cent per annum	– .249	– .301	– .416	– .509	– .593	– .412	– .424	– .689
Freight and Demurrage	– 4.200	– 4.200	– 4.200	– 4.200	– 4.200	– 5.250	– 5.250	– 5.250
Expenses of landing, housing, warehouse-room, carting, preparing for sale, and all charges of merchandise	– 1.600	– 1.600	– 1.600	– 1.600	– 1.600	– 1.600	– 1.600	– 1.600
Interest, from the arrival of the teas in England to the estimated realization of the sale-mount, 18 months on cost and insurance, 12 months on freight and charges, a' 5 per cent per annum	– 1.038	– 1.193	– 1.539	– 1.816	– 2.070	– 1.580	– 1.616	– 2.408
Supracargoes commission, 2 per cent on net sale amount, deducting charges	– .261	– .394	– .437	– .479	– .598	– .422	– .437	– .826
S.	1. 5.313	1. 7.728	2. 0.841	2. 4.952	2. 8.795	2. 1.759	2. 2.302	3. 2.319

East India House,
5th April 1830.

Thomas G. Lloyd, Acct Gen[l].

T. Gore Lloyd, Esq.
5 April 1830.

T. Gore Lloyd, Esq.

5 April 1830.

4233. It appears then that there is some enhancement of price in consequence of the tea being kept one year, inasmuch as the interest of the money is going on, and there is also the expense of warehouse-room?—There is.

4234. Supposing any injury to occur to a cargo sent from Bombay, or from England to Canton, by which a loss is sustained upon the sale in China, should you reckon that loss as a part of the prime cost of the tea?—That is covered by the rate of insurance.

4235. Supposing that by bad package, or by leakage, or by shifting of the cargo, or any of the accidents to which the cargoes are liable, it arrived in a damaged state in China, and thereby was sold at much less than the price of the cargo, should you set that off in the prime cost of the tea purchased in Canton?—It would sell at so much less, and consequently increase the value of the tale in that ratio, if not covered by the insurance.

4236. Under what provision of the Commutation Act do you charge interest for six months in China?—There is certainly no provision in the Commutation Act; but I conceive that to be a fair mercantile charge to make. The Act provides for the interest after the arrival, and the charge of interest till the arrival is a mercantile charge, an essential part of the prime cost.

4237. Is not the making such a charge expressly forbidden by the Act of Parliament?—I think not.

4238. Is not the only charge of interest which the Act allows "lawful interest from the time of the arrival in Great Britain"?—That is after the arrival; but any merchant would say interest is part of the prime cost of the goods; the prime cost includes interest upon the capital employed.

4239. Do you charge interest upon the freight for two years?—No, for one year.

4240. Is not the principal part of the freight paid after the return of the ship to England?—The freight is paid first by an imprest before the ship departs; secondly, 30 days after the clearing of the ship we pay a moiety of what is due, and 60 days after that the remaining moiety.

4241. What is the amount of imprest paid on the ship?—The imprest is so much a ton.

4242. Is it a tenth part of the freight?—No, I think not.

4243. Is it a twentieth part?—It may be.

4244. Then the freight is charged with a year's interest, though the greatest proportion of it is not paid till after the ship has delivered her cargo?—After the ship has delivered her cargo.

4245. Is interest paid on the commissions of the supercargoes?—None at all.

4246. Upon what principle do you charge interest for a year upon the freight?—Because it is not paid until after the arrival of the ship. If I were to charge as much as I do upon the cargo, we should be charging too much; the payments are made about three months after the ship arrives, and the teas are estimated to remain in warehouse for 18 months, so that in fact it is a short charge of interest.

4247. Does not the price of freight vary considerably in the different ships employed by the Company?—Yes.

4248. How do you settle the upset-price, having regard to the difference of the freight?—An average is taken, which is furnished to me by the officer at the head of the freight and shipping department.

4249. Does not the item of imprest, which you state to be the first payment on account made by the Company, amount to two months wages paid to the whole ship's company, or is it any thing beyond that?—It is not precisely in my department, but I believe it to be so much per ton.

4250. Then the amount of imprest will depend on the size of the ship, and the number of crew?—The size of the ship.

4251. Is not the tea that is put up for consumption often nearly three years from the time of its leaving Canton to the time of its being sold?—Yes.

4252. Can you state what proportion of the whole quantity is kept fort hat period?—I cannot tell from recollection.

4253. What should you state as the average time?—I cannot say any other than 18 months, the period I have assumed in the Accounts delivered in.

4254. Do you not conceive that by the Act of 24th Geo. 3d, supposing the Company had a sufficiency of tea for one year's consumption, including that which is in their warehouses, and that which is in transitu, they would have complied with that Act of Parliament?—I believe they would, but I speak with some hesitation.

4255. Then

4255. Then it is not necessary, under that Act of Parliament, that the tea should be so long kept by the Company before it is sold?—The Company has been always anxious to promote the consumption of tea, and with that view to be provided with an adequate supply for any increased demand.

4256. Are you not aware that looking at the words of the Act it is stated that the Company shall from time to time send orders for the purchase of such quantities of tea, and provide sufficient ships to import the same, as being added to the stock in their warehouses, and to the quantities ordered and not arrived, shall amount to a sufficient supply for the keeping of a stock at least equal to one year's consumption according to the sales of the last preceding year always beforehand? —The Act says so, I perceive.

4257. Supposing the tea purchased by the Company be paid for by bills drawn upon England, or drawn upon India, what is the average duration of those bills?—Bills have been drawn on various terms, sometimes they are a twelvemonth after date, at other times at twelve months after sight, and in other various ways; on India they are drawn at 30 days sight.

4258. When bills are drawn in Canton in January, payable by the Court of Directors in December following, is the interest, according to the account you have given in, charged from the January when assets were received in China for the purchase of the teas, or from December when the bills were satisfied by the Court of Directors?—Not until the bill is satisfied.

4259. You have given in an Account of the profit and loss of the East India Company's trade between Europe and India, Europe and China, and China and India. There is a note in that, saying, that "had the Company's profit-and-loss accounts been made up at the mercantile rate of exchange as ascertained from the rates at which bills have been drawn from London on Calcutta in each year, instead of the rates fixed by the Board of Commissioners for the Affairs of India as regards the re-payment of territorial advances, the above Account of their trade between Europe and India would have exhibited a profit of 446,114 *l.*, instead of a loss of 2,009,872 *l.*, making a difference of 2,465,986 *l.*;" and then it goes on to say, that "the profit on their China-trade would also have been increased in the same period by the sum of 1,545,943 *l.*, making a total difference of 4,011,929 *l.*;" How is the calculation made of that last item, by which the profit on the China-trade would have been increased by the sum of 1,545,943 *l.*?—Because a great part of the supply for the China investment is furnished through India, in reimbursement of territorial charges paid in England, and adjusted at the rate of exchange fixed by the Board of Commissioners for the Affairs of India.

4260. Therefore the only element which constitutes this difference is the difference between the real exchange on Calcutta, and the nominal exchange fixed by the Board of Control?—Exactly.

4261. The only difference being the difference between the rate of exchange fixed by the Board of Commissioners, and the real rate of exchange between London and Calcutta, how is this circumstance accounted for, that upon the sum of 16,000,000 *l.* sterling trade between India and London there is a difference arising from that circumstance of 2,004,650 *l.*, whilst upon the trade between China and London of 18,264,000 *l.*, there is only a difference of 154,500 *l.*; how is that accounted for, as the same element of difference entering into both calculations, the rate of difference ought to be proportionate?—It depends upon the amount that has been respectively applied to the two trades of those sums for which we pay the high rate of exchange. This high rate of exchange attaches only to the re-payment of the advances made from commerce to the territory; there have been other funds applied to the China investment upon which the Board's rates of exchange have no operation. Equally so in India; all commercial funds do not enter at all into the computation, only those sums arising from the re-payment of the advances which the commerce has made to the territory.

4262. Why do you take in your calculation of the profit and loss of the East India Company's trade between India and China the prime cost at 6/8, when you state that the prime cost was called by you the sum which the tale cost the East India Company, delivered into the treasury at Canton from the investments they have made?—Because upon the whole of the transactions from the year 1814 down to the latest period the tale has been proved to cost, within a fraction, 6/8.

4263. Then what you state is, that the tale delivered into the treasury at Canton has,

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has, ever since the year 1814, cost the Company 6/8 upon the average?—Within a fraction.

4264. When you state that the average value of the tale since in 1814 has been 6/8, is that average made up of all the bills drawn upon England and India, as well as upon all the commercial transactions of the Company at Canton?—Upon every transaction that has drawn money into the treasury at Canton.

4265. Then of course it would have been higher if it had not been for the exchange having fallen from Canton upon England?—In whatever degree the exchange has fallen, the Company has had the benefit of it upon all the bills the supercargoes have drawn.

4266. Supposing that the whole of the credit created to the Company at Canton had been produced by the sale of investments from India or from England, the tale must have been valued higher than 6/8?—By taking a part of the credit by bills of exchange, certainly that has tended to reduce the value of the tale.

4267. Did you mean to say that the whole benefit arising from the fall of the exchange accrued to the Company, or to the consumers of tea in this country?—If the Company obtain money at a low rate of exchange, that benefit rests with them; but the consumer of the tea has the benefit of it in the upset price.

4268. In what way does the Company decide upon the quantity of tea they will put up at the sales?—That decision does not rest with my department; it is with our Commercial Committee, which I do not attend ordinarily.

4269. Since cotton is no longer received as revenue at Bombay, have not the Company been in the habit of buying cotton there to send to China?—They have purchased cotton to send to China.

4270. Are you aware at what rate of exchange the price of the cotton at Bombay is brought into the account at the India House in the prime cost of the tea, or how is that settled?—I cannot exactly state from recollection; I think it is 216 rupees for 100 dollars.

4271. In the transactions between Bombay and Canton, do you take the whole cost in tales, or do you take partly the prime cost as valued at Bombay, and partly the value in China?—The cost of the cotton would be the number of rupees we pay for at the Board's rates.

4272. Then you would debit commerce with that advance at the Board's rate?—Yes.

John Crawfurd, Esq. again called in; and Examined.

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4273. ARE you aware of the mode in which the mining was carried on at the island of Banca?—Yes.

4274. It is stated in a discourse addressed by Sir Stamford Raffles to the Society of Arts at Batavia, in the year 1815, that almost all the operations connected with the process of mining and refining the metal are performed by the Chinese; does that fact consist with your knowledge?—All that is well done is done by the Chinese; and by far the greater part of the whole is done by them.

4275. Up to what period are you able to give this information?—I can state it from the best information to the year 1825.

4276. It is also stated by Sir Stamford Raffles that the Chinese preserve on Banca their original habits of industry, enterprize and perseverance, and that they are amongst the most useful of the inhabitants, and indispensable in the labours of the mines; does that also consist with your knowledge?—Perfectly.

4277. Is the mining in Banca carried on in a very simple manner, or is there a great deal of machinery used?—A great deal of machinery.

4278. Is that made by the Chinese?—It is. There are no other people in that part of the world who have the least notion either how to construct machinery, or how to make use of it.

4279. In a letter from Sir Stamford Raffles to Lord Buckinghamshire, in the year 1813, he states, that the Island of Borneo is rich in precious metals, and that it possesses on one convenient spot a population of nearly 100,000 Chinese, who work the gold mines on their own account, and who would gladly submit to, and have invited British regulation; does that consist with your knowledge of the state of Borneo?—The existence of a very large population working gold mines consists with my knowledge, but not the last fact.

4280. Was

4280. Was there any export of this gold from Sincapore?—A large import and export every year.

4281. Are you aware whether it is the fact that the Chinese work the gold mines on their own account?—Yes, exclusively on their own account.

4282. Do they acquire land in Borneo, and become permanent settlers?—There is so much land in Borneo that any body may have it; but they are permanent settlers in the island.

4283. In what part of the island are those gold mines?—In the country lying between a place called Pontianpa and Sambas, towards the south-western part of the island.

4284. Is it near the coast?—Not very far from the coast, at the foot of the mountains. The gold is from *streams*, or found in alluvial land.

4285. You have stated that it has been exported from Sincapore; will you state the course of the trade?—There is a large quantity of gold brought from various quarters to Sincapore by the Chinese, and by the natives of Celebes, and by the Malays; but the greater bulk of it is produced through Chinese industry. The Chinese, I ought also to observe, are employed in the same way on the eastern coast of the Malay Peninsula.

4286. Can you state the amount of the export of gold from Sincapore?—I think it has generally amounted to as much as 1,000 pounds weight Troy.

4287. In a letter addressed by Sir Stamford Raffles to Mr. Ramsey, the Secretary of the East India Company, in the year 1813, he states, that "a great proportion of the trade between China and Batavia is now carried on by Chinese capitalists trading direct from Amoy and the northern ports of China, with which a constant intercourse is kept up; and it would be impossible to restrict a trade which appears to have been so long established, and which proves so essential and advantageous to all concerned in it." Does your opinion concur with the opinion so given by Sir Stamford Raffles?—Precisely; that forms a branch of the junk-trade that I formerly endeavoured to describe to the Committee.

4288. Do you agree with them in opinion that it would be impossible to restrict a trade which has been so long established, and which proves so essential and advantageous to all concerned in it?—That is my opinion.

4289. In a letter of Sir Stamford Raffles from Bencoolen, dated the 17th of July 1820, there is contained the following statement:—"What you observe with respect to British cottons through this port to China, is a most important question; the affair is perfectly practicable, and nothing more easy. Upwards of 10,000 tons of raw cotton are annually sent to China from our territories in India; why should we send our raw produce to encourage the industry of a foreign nation at the expense of our manufacturers. If India cannot manufacture sufficiently cheap, England can, and it is idle to talk of the cheapness of our manufactures unless we can bring them into fair competition. I see no reason why China should not be in a great measure clothed from England; no people study cheapness so much, and if we can undersell them, we have only to find the way of introducing the article. The monopoly of the East India Company in England, and of the Hong merchants in China, precludes the idea of any thing like fair competition in our own ships, or in the port of Canton. Not but the East India Company can, and perhaps will, assist as far as in them lies, but their ships are too expensive. The articles would also pass through the Hong merchants before they reached the general trade, and commerce and the intermediate profits would form another barrier." Do you agree in the opinions stated in that letter?—Not in the whole of them.

4290. Will you state in which you agree, and how far you differ from them?—I differ from the doctrine contained in the early part of it, that we ought not to encourage the industry of a foreign nation at the expense of our own. I do not know what is meant there by the industry of a foreign nation, if by this industry is meant that of the natives of India, who are not foreigners, but British subjects. I agree entirely in thinking that it is very practicable to supply China with our cotton manufactures, and in the probability of our contributing very materially towards clothing China from England.

4291. Are you aware of any difference in duty which exists between tea sent out of China in foreign bottoms, and tea sent out in bottoms of that country?—I cannot specify exactly what the duties are in each case; but I know there is a mode of evading the duty altogether on the part of the junks. I also know that the junks pay no port-charges.

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4292. You have paid considerable attention to the general state of the commerce of the eastern world?—I have.

4293. Has your attention been directed to the China-trade, and the trade in tea especially?—Yes, for a good number of years I have paid particular attention to the tea-trade.

4294. Are you enabled from that attention, and the observations you have made since your return to Europe, to furnish any further information to the Committee on the subject, in addition to the evidence you have already given?—I have prepared a good number of documents upon the subject of the tea-trade, which I beg now to offer to the Committee.

[*The witness delivered in several Papers, from No.* 1 *to No,* 22, *and the same were read, as follows*:]

No. 1.—COMPARATIVE STATEMENT of the Prime Cost of the East India Company's and American Teas at Canton, for the Year 1821–22.—For the Company's Prime Cost see "Accounts relating to the Tea Trade, No. 4," Ordered by the House of Commons to be printed, 14th May 1824; and for the American "Statement of the American Trade at the Port of Canton, Season 1821–22. The Tael in the American Account is reckoned at the rate of 72 Taels for 100 Dollars, or 6 *s.* nearly.

TEAS.	Quantities.	E.I. Company's Prime Cost.		American Prime Cost.		Excess of E.I. Company's Prime Cost.	
		Total.	Per lb.	Per lb.	Total.	Total.	Per cent.
	Lbs.	£.	*s. d.*	*s. d.*	£.	£.	
Bohea - -	1,653,099	65,013	– 9. 43	– 5. 94	40,952	24,061	58
Congou - -	19,442,034	1,404,763	1 5. 34	1 2. 58	1,181,103	223,660	18
Souchong -	69,387	7,645	2 2. 44	1 0. 95	3,744	3,901	104
Sonchi - -	37,494	3,303	1 9. 14	1 0. 95	2,023	1,280	63
Twankay - -	3,678,040	263,639	1 5. 20	– 11. 88	182,062	81,577	44
Hyson-skin -	168,620	12,727	1 6. 11	– 10. 8	7,587	5,140	67
Hyson - -	665,789	92,251	2 9. 25	1 9. 60	59,928	32,323	53
Young Hyson -	31,976	3,374	2 1. 32	1 4. 74	2,230	1,144	51
lbs.	25,746,439	1,852,715	- -	- -	1,479,629	373,086	

Note:—Sonchi is a variety of black tea not found among the American exports, nor in the Canton price-currents. It is a variety of Souchong, and therefore calculated at the same price. The American teas embrace those which are sent to the Continent, such as Twankay and Congou, which may account for the high price of the latter, as that consumed in Holland is alleged to be equal in quality to that of the East India Company.

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No. 2.—COMPARISON between the Company's Invoice Prices of Tea, at the respective Rates of 6*s.* 8*d.* sterling, and at the rate of 72 taels to 100 dollars, each of 4*s.* 3*d.* $\frac{72}{100}$.

YEARS.	East India Company's Invoice Price.	Invoice Price at 72 Taels to 100 Dollars.	DIFFERENCE.
	£.	£.	£.
1819–1820	1,877,402	1,666,946	210,456
1820–1821	1,896,476	1,683,882	212,594
1821–1822	1,852,715	1,645,026	207,689
1822–1823	1,924,738	1,708,975	215,763

No. 3.—Comparative STATEMENT of the Quantities of Green Tea exported from Canton in the Season 1821–22, by the East India Company, and by the Citizens of the United States. "Accounts relating to the Tea Trade," ordered by the House of Commons to be printed, 14th May 1824, (No. 4.)—Statement of the American Trade with Canton in the Season 1821–22.

TEAS.	By East India Company.	By the Americans.
	lbs.	*lbs.*
Twankay	3,678,040	28,000
Hyson Skin	168,620	2,548,400
Hyson	665,789	752,666
Young Hyson	31,976	2,024,533
Gunpowder	-	213,866
Imperial	-	510,800
lbs.	4,544,425	6,078,265 *

* Excess by Americans, 1,533,840 lbs., or one third more.

The Total Quantity of Tea exported by the East India Company was 25,746,339 lbs. of which, the greens constituted 17 in 100.

The Total Quantity of Tea exported by the Americans was 9,292,400 lbs., of which the greens constituted 65 in 100.

No. 4.—A STATEMENT, showing the Prices of the different kinds of Tea, without duty, in London, Halifax, and New York respectively, in 1829, from Price Currents of these respective places.

TEAS.	London, November.	Halifax, November.	New York, July.	Amsterdam, July.
	s. *d.*	*s.* *d.*	*s.* *d.*	*s.* *d.*
Bohea	1 8	1 8. 52	- 9. 83	- 9. 67
Congou	2 4½	2 3. 36	- none -	1 6. 02
Souchong	4 1½	3 5. 04	1 7. 40	1 2. 93
Hyson Skin	2 10½	2 5. 07	1 4. 56	1 3. 47
Young Hyson	3 11½	- none -	2 3. 81	- none.
Hyson	4 3½	4 7. 57	2 7. 05	2 10. 04
Gunpowder	5 1	4 7. 57	3 2. 55	3 10. 91

Note.—The Prices quoted in the Halifax Price Current are reduced to sterling money by deducting 10 per cent; 5 per cent is taken off for the duty. The American dollar is taken at its sterling value of 4*s.* 3¾*d.* It appears from this table that the average of the London prices exceed those of Halifax by little more than 9 per cent: that the Halifax prices exceed the New York prices by 60 per cent: the London the New York by near 75 per cent: and the London the Amsterdam by 76 per cent.

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No. 5.—COMPARATIVE STATEMENT of Importations and Exportations of Tea by the East India Company and the Citizens of the United States of America.—"East India Trade from 1826, to 1829." Ordered by the House of Commons to be printed. "Commerce and Navigation of the United States;" from 1826 to 1829.

YEARS.	BY E. I. COMPANY.		Importations into United States.	Exportations from United States.	American Exports from China to Foreign Parts.	TOTAL American Exports.	Excess of Exports from America beyond those from Great Britain.	TOTAL Excess of American Exports beyond those of E. I. Company.	Proportion of Exports to Imports.	
	Imports.	Exports.							Great Britain.	America.
	Lbs.	*Lbs.*	*Lbs.*	*Lbs.*	*Lbs.*	*Lbs.*	*Lbs.*	*Lbs.*		
1825 -	29,345,699	450,209	10,209,548	3,035,808	1,762,000	4,797,808	2,585,599	4,347,599	as 1 to 65 -	- as 1 to $2\frac{1}{10}$
1826 -	29,840,401	279,070	10,108,900	2,804,753	1,360,800	4,165,553	2,525,683	3,886,483	– 1 to 106 -	- – 1 to $2\frac{4}{10}$
1827 - -	39,746,147	254,994	5,875,638	1,626,417	357,966	1,984,383	1,371,423	1,729,389	– 1 to 155 -	- – 1 to $2\frac{9}{10}$
1828 - -	32,678,731	259,493	7,707,427	1,417,846	910,000	2,327,846	1,158,353	2,068,353	– 1 to 122 -	- – 1 to $3\frac{3}{10}$

No. 6.—COMPARATIVE STATEMENT of East India Company's Sale Price and Bond Price of Congou and Hyson Teas, for Five Years.

TEAS.	1818.			1819.			1820.			1821.			1822.		
	Company's average Sale Price.	Bond Price.	Advance per Cent.	Company's average Sale Price.	Bond Price.	Advance per Cent.	Company's average Sale Price.	Bond Price.	Advance per Cent.	Company's average Sale Price.	Bond Price.	Advance per Cent.	Company's average Sale Price.	Bond Price.	Advance per cent.
	s. d.	*s. d.*		*s. d.*	*s. d.*		*s. d.*	*s. d.*		*s. d.*	*s. d.*		*s. d.*	*s. d.*	
Congou	2 4. 78	3 2. 83	34	1 9. 25	3 0. 50	71	2 1. 88	2 11	35	2 5. 28	3 0	22	2 5. 43	3 1. 37	26
Hyson	4 11. 83	5 2. 62	$4\frac{6}{10}$	5 3. 66	5 4. 25	$\frac{9}{10}$	5 6. 04	5 8. 33	$3\frac{4}{5}\frac{1}{1}$	4 8. 53	5 6. 33	13	4 3. 24	4 11. 07	15

Note.—The Company's Sale Prices are taken from No. 41 of "Papers relating to the Finances of India, &c. the Trade of India and China," presented by His Majesty's command, February 1830, and the Bond Prices from a table in Mr. Tooke's Book on "High and Low Prices."

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No. 7.—A STATEMENT showing the Average Sale Price of the following Articles of Indian Produce, for the 15 Years ending with 1828–29.

YEARS.	Tea, per lb.	Sugar, per Cwt.	Black Pepper, per lb.	Cotton Wool, per lb.	Saltpetre, per Cwt.
	s. d.	s. d.	d.	s. d.	s. d.
1814–15 -	3 4. 53	58 8	15 ½	1 2 ¼	89 6
1815–16 -	3 1. 23	49 1	10 ½	– 11 ½	87 –
1816–17 -	2 11. 63	52 –	8 ½	1 1 ¾	57 3
1817–18 -	3 0. 78	49 –	8 ½	1 ..	40 6
1818–19 -	3 0. 23	49 10	8 ¼	11 ½	41 3
1819–20 -	2 9. 16	40 7	7	8 ½	36 –
1820–21 -	2 9. 43	34 –	6 ½	– 6	28 5
1821–22 -	2 10. 19	25 6	7	– 5 ½	25 7
1822–23 -	2 9. 94	31 6	7	– 6	26 –
1823–24 -	2 10. 31	30 –	6	– 6 ½	25 6
1824–25 -	2 9. 94	26 –	5 ½	– 5 ½	21 6
1825–26 -	2 8. 51	35 –	6 ½	– 6 ½	25 8
1826–27 -	2 6. 40	30 –	4 ½	– 5 ¼	22 –
1827–28 -	2 4. 56	33 –	4	– 4	23 11
1828–29 -	2 3. 97	35 –	3	– 4 ½	23 6

ABSTRACT.

	Fall of Price in Five Years.	In 10 Years.	In 15 Years
Tea - - - -	10 per cent -	14 per cent -	30 per cent.
Sugar - - - -	15 - - -	48 - - -	40 -
Pepper - - - -	46 - - -	61 - - -	80 -
Cotton - - -	19 - - -	54 - - -	68 -
Saltpetre - - -	53 - - -	71 - - -	73 -

Note:—For the first six years, Mr. Tooke's Book on High and Low Prices, London, 1824. The quotations there given are from Prince's London Price Current. For the last nine years, the average sales at the India House, from the accounts laid before Parliament from 1820 to 1829.

No. 8.—COMPARATIVE STATEMENT of the Quantities of Teas exported from Great Britain and the United States of America, in the Year 1827.

	East India Company.	United States.	Excess by United States.	REMARKS.
	lbs.	*lbs.*	*lbs.*	
Russia	-	-	-	Prohibited.
Sweden	83	—	—	
Norway	—	—	—	
Denmark	-	-	-	A monopoly in Denmark.
Prussia	-	-	-	- - Supplied with Dutch and American teas through the Netherlands.
Germany	18,893	759,617	740,724	
United Netherlands	1,531	85,393	83,862	
France	333	292,160	291,827	
Portugal, Proper	—	—	—	
— Azores	83	2,889	2,806	
— Madeira	195	2,809	2,614	
Spain and Balearic Isles	49	618	569	
— Canaries	793	720	—	
Gibraltar	434	244,868	244,434	
Italy and Italian Isles	2,063	20,798	18,330	
Malta	395			
Ionian Islands	149	—	—	
Turkey	-	1,625	1,625	
Egypt (Ports on Mediterranean)	-			
Tripoli, Barbary, Morocco	-	1,363	1,363	
West Coast of Africa, &c.	3,884	1,661	-	East India Company's monopoly.
Cape of Good Hope	4,106	-	-	- - - Ditto.
Cape Verde Islands	82	1,416	1,334	
South America	-	7,185	7,185	
Mauritius	332	-	-	Open trade.
East India Company's Territories and Ceylon.	17,294	-	-	- - Americans have sometimes exported tea from these.
China	476	629	153	Ships stores.
Sumatra and Indian Isles	30	1,250	1,220	
Phillippine Islands	-	—	—	
New South Wales & Van Diemen's Land.	4,787	—	—	
New Zealand, &c.	494	—	—	
British North American Colonies	92,178	1,050	-	East India Company's monopoly.
British West Indies	38,319	700	-	- - - Ditto.
North-West Coast	-	1,067	1,067	
Cuba and Foreign West Indies	-	100,505	100,505	
United States	—	—	—	
Mexico	80	10,377	10,297	
Guatemala and Honduras	-	1,445	1,445	
Columbia	160	2,763	2,603	
Brazil	187	60,614	60,427	
Rio de la Plata	-	7,086	7,086	
Chili	305	15,351	15,046	
Peru	-	458	458	
Isles of Guernsey, &c.	67,368	—	—	
lbs.	255,083	1,626,417	1,371,334	

Note.—"A general Statement of the Imports and Exports of the principal Articles of Merchandise between the United Kingdom and the several Foreign Countries and British Possessions abroad." Ordered, by The House of Commons, to be printed, February 1829. "Exports and Imports of the United States, for the Year 1827. Printed by order of the Senate, 1828.

No. 9.—COMPARATIVE STATEMENT of the Total Importations and Re-exportions for the United Kingdom, of the following articles of Chinese and Indian produce, for the six years ending 5th January 1829.—(*See* "East India Trade,") Ordered by the House of Commons to be printed, from 1824 to 1829.

——	Importations.	Re-exportations.	Proportion of Re-exportation to Importations.	REMARKS.
Teas - - *lbs.*	192,339,840	2,369,703	as 1 ½ in 100	- - The first three articles after tea are exclusively productions of China, and of these it appears that *three fourths* of the imports have been re-exported. Of coffee *three fourths* of the imports have also been re-exported. Of sugar *one third*, and of the three last-named articles full *one half*. Of tea the re-exportations have consisted of little more than one per cent, and either this small fraction has consisted either of ships stores or exports to colonies where the East India Company enjoys a monopoly.
Camphor - -	1,230,754	791,529	64 100	
Cassia - - -	2,888,144	2,230,066	77 100	
Rhubarb - -	399,495	310,463	77 100	
Coffee - - -	32,717,840	24,936,527	76 100	
Sugar - - *cwts.*	1,610,541	554,680	34 100	
Cotton wool - *lbs.*	126,445,370	61,492,222	48 100	
Indigo - - -	39,957,624	20,381,264	51 100	
Pepper - - -	47,302,767	25,127,715	53 100	

No. 10.—SPECIFIC DUTIES on Teas in the United States, France, and the Netherlands, with the *ad valorem* Duty, reckoned on the average price of Teas at New York, for the ten years ending with 1829.

TEAS.	UNITED STATES.			FRANCE.		NETHERLANDS.		REMARKS.
	Price per lb.	Duty per lb.	Ad Valorem.	Duty per lb.	Ad Valorem.	Duty per lb.	Ad Valorem.	
	s. d.	*s. d.*		*d.*		*d.*		
Bohea - - -	– 9. 59	– 6. 21	64	7. 25	75	1. 27	13	- - In reducing the foreign money to sterling, the American dollar is taken at 4 *s.* 3 *d.* $\frac{79}{106}$, the franc at 9 *d.* $\frac{69}{106}$, and the florin at 20 *d.* $\frac{1}{8}$. The French and Dutch pound, or half kilogramme is taken at 7,717 grains avoirdupois.
Congo - - -	– 8. 44	1 – 93	153	7. 25	85	1. 27	15	
Souchong - - -	1 5. 69	1 – 93	73	7. 25	40	2. 19	12	
Hyson-skin - -	1 6. 80	1 2. 49	77	7. 25	38	2. 19	11	
Young Hyson - -	2 3. 83	1 8. 70	74	7. 25	26	2. 19	7	
Hyson - - -	2 8. 18	1 8. 70	64	7. 25	22	2. 19	6	
Gunpowder - -	3 4. 64	2 1. 87	63	7. 25	17	2. 19	5	
Imperial - - -	3 3. 74	2 1. 87	65	7. 25	18	2. 19	5 ½	

No. 11.—COMPARATIVE STATEMENT of the consumption of Great Britain, the United States of America, and France, in COFFEE, for the 11 Years ending with 1828.

YEARS.	Great Britain.	United States.	France.	NOTE.
	lbs.	*lbs.*	*lbs.*	For the consumption of Great Britain, see "Customs and Excise Duties." ordered by the House of Commons to be printed, 19th June 1829. For that of the United States, "Reports of the Secretary of the Treasury to Congress; and for that of France, "Tableau Général du Commerce de la France avec ses Colonies et les Puissances étrangères.
1818 - - - -	7,967,857	19,199,403	14,951,684	
1819 - - - -	7,429,352	20,825,869	14,583,707	
1820 - - - -	6,896,286	13,291,875	17,868,991	
1821 - - - -	7,327,283	15,965,237	16,085,775	
1822 - - - -	7,404,204	14,282,982	20,127,465	
1823 - - - -	8,209,245	18,603,330	18,059,734	
1824 - - - -	7,993,040	20,368,450	22,604,456	
1825 - - - -	10,766,112	22,357,721	16,451,410	
1826 - - - -	12,724,139	26,449,356	17,589,800	
1827 - - - -	14,974,378	31,895,217	22,060,713	
1828 - - - -	16,522,423	37,258,879	20,521,883	
Average of first five years - - -	7,404,996	16,713,073	16,723,524	
Ditto of last six years	11,864,889	26,155,492	19,547,982	
Increase - - -	60 per cent	56 per cent.	16 per cent.	

No. 12.—SPECIFIC DUTIES on COFFEE in the United States, France, the Netherlands, and Great Britain, with the *ad valorem* Duty, calculated on the Bond Price at New York in 1829.

COFFEE.	UNITED STATES.			FRANCE.		NETHERLANDS.		GREAT BRITAIN.			
								Present Duty.		Duty of 1819.	
	Price per lb.	Duty per lb.	Ad Valorem.	Duty per lb.	Ad Valorem.	Duty per lb.	Ad Valorem.	Per lb.	Ad Valorem.	Per lb.	Ad Valorem.
	d.	*d.*		*d.*		*d.*		*d.*		*s. d.*	
Cuba - - - -	3. 62	2. 58	71	4. 59	126	.36	9				
Brazil - - - -	4. 14	2. 58	62	4. 59	110	.36	8				
Porto Rico - - -	4. 65	2. 58	55	4. 59	98	.36	7				
La Guira - - -	3. 62	2. 58	71	4. 59	126	.36	9				
St. Domingo - -	4. 14	2. 58	62	4. 59	110	.36	8				
Java - - - -	5. 43	2. 58	47	4. 59	84	.36	6	9	165	1 6	331
Jamaica - - -	4. 65	2. 58	55	4. 59	98	.36	7	6	129	1 –	258

Note.—In reducing the foreign money to sterling, the American dollar is taken at 4 s. 3 *d.* $\frac{79}{100}$; the franc at 9 *d.* $\frac{69}{100}$; and the florin at 20 *d.* $\frac{1}{8}$. The French and Dutch pound, or half kilogramme, is taken at 7,717 grains avoirdupois.

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No. 13.—COMPARATIVE STATEMENT of the Consumption per head of Tea and Coffee in Great Britain, France, and the United States of America, taken on the average of the four Years ending with 1827, on an Estimate of a Population of 17 millions for Great Britain, of 32 millions for France, and of 12 millions for the United States of America.

——	TEA.			COFFEE.		
	Lbs.	*oz.*	*dwts.*	*Lbs.*	*oz.*	*dwts.*
Great Britain - - - -	1	7	8	–	10	14
France - - - - -	-	-	-	–	9	13
United States - - -	–	9	4	2	1	11

Note.—" Customs and Excise Duties." Ordered by the House of Commons to be printed, 19th June 1829. Letters of Secretary of the Treasury, printed by order of Congress. Tableau Général du Commerce de la France avec ses Colonies et les Puissances étrangerés. There are no data for the consumption of tea in France for the years given in the Statement, but the average consumption for the four years ending with 1828 was but 252,430 lbs.

No. 14.—COMPARATIVE STATEMENT of the Duty on Tea and on British Plantation Coffee at different periods from 1789; the specific Duty upon the latter Article being converted into an *ad valorem*, from the average Sale Prices of the Commodity in Bond.

YEARS.	Duty on Tea.	Duty on Coffee.	Duty on Coffee higher than that on Tea, by
1789 - -	12 ½ per cent	103 per cent	90 ½ per cent.
1795 - -	20 –	146 –	126 –
1806 - -	96 –	139 –	43 –
1819 - -	100 –	149 –	49 –
1829 - -	100 –	121 –	21 –

Note.—" Customs and Excise Duties." Ordered by the House of Commons to be printed, June 1829—Tooke, on High and Low Prices. London New Price Current, November 20th 1829.

No 15.(A.)—AVERAGE Prices of American Teas, exclusive of Duties, for Ten Years, from 1820 to 1829 inclusive, taken from New York Price Currents; the American Money reduced to Sterling, at the rate of 4 *s.* 3 ¾ *d.* per dollar.

TEAS.	YEARS 1820: July.	1821: July.	1822: August.	1823: August.	1824: July.	1825: July.	1826: June.	1827: June.	1828: July.	1829: July.	Average of each Sort.	Duty per lb.	Ad Valorem Duty.
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	
Imperial - -	3 4. $\frac{10}{100}$	3 0. $\frac{74}{100}$	3 2. $\frac{81}{100}$	3 4. $\frac{10}{100}$	3 5. $\frac{40}{100}$	3 10. $\frac{57}{100}$	3 4. $\frac{10}{100}$	3 5. $\frac{40}{100}$	2 9. $\frac{63}{100}$	3 2. $\frac{55}{100}$	3 3. 74	2 1. $\frac{87}{100}$	65 per ct.
Gunpowder -	3 6. 69	3 0. 74	3 6. 69	3 6. 69	3 5. 40	3 10. 57	3 4. 10	3 5. 40	2 9. 63	3 2. 55	3 4. 64	2 1. 87	63. 6
Hyson - -	2 6. 01	2 5. 49	2 6. 27	2 6. –	2 10. 15	3 1. 26	2 7. 05	3 0. 22	2 8. 34	2 7. 05	2 8. 18	1 8. 70	64. 3
Young Hyson	1 11. 28	1 9. 99	1 10. 51	2 7. 30	2 8. 73	2 8. 60	2 3. 94	2 7. 05	2 3. 16	2 3. 81	2 3. 83	1 8. 70	74. 3
Hyson Skin -	1 2. 74	1 2. 74	1 2. 49	1 7. 14	2 2. 91	2 1. 61	1 7. 14	1 7. 14	1 5. 59	1 4. 56	1 6. 80	1 2. 49	77.
Souchong - -	1 1. 97	1 1. 45	1 3. –	1 4. 56	1 7. 40	1 7. 40	1 6. 11	1 11. 02	1 6. 63	1 7. 40	1 5, 69	1 0. 93	73.
Congou - -	– 7. 76	– 7. 76	– 7. 76	– 7. 76	– 8. 79	– 10. 86	- -	- -	- -	- -	– 8. 44	1 0. 93	153.
Bohea - -	– 11. 64	– 10. 60	– 11. 12	– 7. 50	– 10. 60	– 9. 31	– 8. 28	– 8. 79	– 8. 28	– 9. 83	– 9. 59	– 6. 21	64.
Average of all Teas for each Year.	1 11. 02	1 9. 43	1 9. 33	2 0. 38	2 2. 92	2 4. $\frac{52}{100}$	2 2. 38	2 4. 71	2 0. 46	2 1. 96	2 0. 36	1 5 46.	79. $\frac{14}{100}$

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No. 15. (B.)—COMPARATIVE STATEMENT of the Prices of the East India Company's and American Teas, reckoned upon the Quantity sold at the East India Company's Sales, for the Ten Years ending with 1828–29. See New York Price Currents, Paper No. 15, and No. 41 of "Papers relating to the Finances of India, "and the Trade with India and China." February 1830.

YEARS.	Quantities.	E. I. Company's Sale Price.	American Sale Price.	Excess of Company's Price.
	Lbs.	£.	£.	£.
1819–20 - -	25,960,287	3,584,986	1,543,888	2,041,098
1820–21 - -	26,095,234	3,626,193	1,486,849	2,139,344
1821–22 - -	28,024,362	3,987,286	1,759,548	2,227,738
1822–23 - -	27,599,886	3,899,416	1,881,607	2,017,809
1823–24 - -	27,632,044	3,903,594	2,234,016	1,669,578
1824–25 - -	28,467,160	4,010,051	2,295,296	1,714,755
1825–26 - -	29,433,211	3,977,802	2,161,101	1,816,701
1826–27 - -	29,279,613	3,702,839	2,695,974	1,006,865
1827–28 - -	29,687,856	3,516,720	2,199,264	1,317,456
1828–29 - -	30,102,217	3,497,345	2,329,397	1,167,948
TOTALS -	282,281,870	37,706,232	20,586,940	17,119,292
AVERAGE -	28,228,187	3,770,623	2,058,694	1,711,929

Note:—The kinds of tea respectively consumed by ourselves and by the Americans, differ so much, that it would not be possible to institute a comparison, in all respects accurate between them. In the Canton price-currents the teas called Congou, Campoi, and Twankay, are invariably quoted at the same prices, and on an average are seven per cent under the price of Souchong. The teas thus named form the bulk of our consumption; and to meet any objection as to quality between the Company's teas and those of the Americans, I have considered all the teas in question as of equal value with the American Souchong. The diminution in the excess of the Company's prices beyond those of the Americans in the latter years of the statement arises from two circumstances,—a rise in the price, and probably in the quality of the American Souchong tea, upon a comparison with which the great bulk of the Company's teas is reckoned, and a fall in price in the Company's teas, without a corresponding increase of consumption.

No. 16.—COMPARATIVE STATEMENT of the Price of the East India Company's and Dutch Teas for the Year 1828–9. See No. 41 of "Papers relating to the Finances of India, and the Trade with India and China, February 1830." Printed Statement of a Public Sale of Tea at Amsterdam, 15th July 1829; and Canton price-current of 3d November 1828.

N. B.—The florin reduced to sterling money at 20⅛*d.*, and the tael in the prime cost at 6*s.*

TEAS.	QUANTITIES.	Prime Cost in China.		East India Company's Sale Price.			Sale Price in Netherlands.			Excess of Company's Price.	
		Per lb.	TOTAL.	Per lb.	TOTAL.	Advance on Prime Cost per Cent.	Per lb.	TOTAL.	Per Cent on Prime Cost.	per Cent.	TOTAL.
	lbs.	*s. d.*	*£.*	*s. d.*	*£.*		*s. d.*	*£.*			*£.*
Bohea - - -	3,778,012	– 7.83	123,257	1 6.65	293,583	138	– 9.67	152,316	23	92	141,267
Congou - - -	20,142,873	1 2.04	1,178,358	2 3.88	2,339,930	98	1 6.02	1,512,645	28	54	827,285
Campoi - - -	248,187	1 2.04	14,518	2 9.14	34,270	136	1 5.31	17,900	23	91	16,370
Souchong - - -	601,739	1 3.12	37,909	2 10.38	86,199	127	1 2.93	37,435	1 ½ dis.	130	48,764
Twankay - - -	4,101,845	1 2.04	239,957	2 5.72	507,945	111	1 7.53	333,821	39	52	174,124
Hyson Skin - -	213,993	1 2.04	12,518	2 3.84	24,823	98	1 3.47	13,796	10	79	11,027
Hyson - - -	1,014,923	2 2.46	111,895	4 1.75	210,385	88	2 10.04	143,971	28	46	66,414
Gunpowder - -	645	2 4.08	75	6 6.51	210	180	3 10.91	126	68	66	84
Totals - -	30,102,217	- -	1,718,487	- - -	3,497,345	- -	- - -	2,212,010	- -	- -	1,285,335

Note.—The prime costs are reckoned at the average of the quotations in the Canton price-current. In deducting the duties from the quotations at Amsterdam, those levied on national vessels are assumed. If the higher duties levied on the importations of tea in foreign vessels had been deducted, the excess of the Company's prices would of course have been greater; and as the Americans still import largely into Holland, this would certainly have afforded the more accurate method of determining the comparative prices of the Dutch teas and those of the Company.

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No. 17.—COMPARATIVE STATEMENT of the Consumption and Revenue of TEA in Great Britain and the United States of America, for the 11 Years ending with 1828.

YEARS.	THE UNITED STATES.						GREAT BRITAIN AND IRELAND.							
			Consumption.		Revenue.		Consumption.			Revenue.				
	Total Consumption.	Total Revenue.	Averages of Periods of 4 & 3 Years.	Increase per Cent.	Averages of Periods of 4 & 3 Years.	Increase per Cent.	Total.	Averages of 4 & 3 Years.	Increase per Cent.	Total.	Average of 4 & 3 Years.	Increase.	Decrease.	
	lbs.	£.	*lbs.*		£.		*lbs.*			£.				
1818	4,842,963	330,283					25,320,719			3,384,272		-	per cent.	On a comparison of the last period in the statement with the first, the American comsumption had increased by 41 per cent, and the revenue by 51 per cent. The British consumption had increased by 13 per cent, and the revenue by 11 per cent.
1819	5,480,884	374,637					24,093,619			3,276,142				
1820	4,891,447	338,189					23,666,431			3,133,393				
1821	4,603,855	312,207	4,954,787		338,829		24,872,771	24,488,375		3,281,875	3,268,920			
1822	5,430,630	361,440					25,258,642			3,430,144				
1823	6,796,364	454,096					25,710,892			3,850,558				
1824	7,107,677	510,665					26,023,381			3,865,099				
1825	6,557,629	474,113	6,473,075	30	450,078	32	27,177,677	26,042,648	6	4,030,439	3,794,060	16		
1826	8,816,225	652,511					27,250,769			3,738,057				
1827	5,372,956	388,308					27,841,284			3,705,859				
1828	6,803,667	498,905	6,997,616	6	513,241	14	27,975,385	27,689,146	6	3,448,814	3,630,910		4	

Note.—Letters from the Secretary of the Treasury, transmitting the Annual Reports, &c. &c. "East India Trade," ordered by the House of Commons to be printed.
Finance Accounts of the United Kingdom, &c. &c.

No. 18.—ACCOUNT of the Purchase and Sale of the East India Company's Investments of Tea for Four Years.

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Dr.

		£.
1819–20 1820–21 1821–22 1822–23	To prime cost of 110,247,443 lbs. of Tea, purchased at Canton in the seasons 1819–20 to 1822–23, both inclusive	7,551,331
	– salaries and table-expenses of the factory	363,433
	– other charges in China	223,363
	– charges in England	917,044
	– freight and demurrage	2,112,067
	– interest	934,237
	– insurance	233,546
	– loss sustained by the Company on the occasion of the fire at Canton 1822	380,132
		12,715,154
	Balance in Company's favour	2,641,229
	£.	15,356,383

Cr.

	£.
By sale of 104,084,203 lbs. of tea in the years 1821–22 to 1824–25, inclusive	14,645,559
– proportion of costs and charges upon 6,163,240 lbs. of tea, being the excess of the purchases above the sales	710,824
Sale price per lb. 2 *s.* 9 *d.* $\frac{77}{100}$.	
The average sale-price on the four years as given in No. 42 of Papers relating to the Finances of India, &c. is 2 *s.* 10 *d.* 09, a difference of $\frac{32}{100}$ of a penny.	
£.	15,356,383

By Balance in favour of the Company £. 2,641,229.

Note.—The documents from which the account is drawn are the following "Accounts relating to the Tea Trade," ordered by the House of Commons to be printed, 14th May 1824; Nos. 2, 4 and 6. "Papers relative to the trade between India and China," 4th June 1829, Nos. 16, 17, 31, 32 and 33.

According to this account, the annual profit of the Company on Tea down to 1824–25 was 660,307 *l.* from which would have to be disbursed the interest on the bond-debt, and the dividends on stock, which on the four years from 1821–22 to 1824–25, amounted, per annum, to 777,550 *l.* ("Papers relating to the Finances of India," &c. No. 21, February 1830,) leaving, therefore, a deficiency of 117,243 *l.* The only defective item in the account is the freight, which is evidently under-rated, because from the whole amount of it, given in the Parliamentary documents (Papers relating to the trade with India and China, June 1829, Nos. 16, 17 and 31,) the proportion deducted for the tonnage returning from India with cargoes is taken at the same rate as the tonnage returning from China. Now nearly the whole tonnage employed in conveying Tea to England consists

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of large ships, at the highest rates of freight, and especially includes the Company's own ships, the most expensive of any; whereas in the Indian tonnage a number of vessels taken up at low rates of freight are comprehended. For example, the East India Company, within the period included in the account, received tenders for between 24 and 25,000 tons of shipping, and took up what they wanted at 8 *l.* 4 *s.* 8 *d.* per ton. (Minutes of Evidence before the Committee of Lords on the Trade with India and China, 1820 and 1821, page 158,) while they were paying on the average of their ships from China, exclusive of demurrage, 21 *l.* 11 *s.* 1 *d.* (an Account of the rate of freight per ton paid by the East India Company from China, on the average of the whole tonnage of the years 1822 and 1823—East India House, 26th April 1824.) Were the necessary deductions made on this account, the profits on the Tea-trade would certainly not be adequate to the payment of the dividends on the capital stock alone, which, on the average of the four years referred to, amounted to 629,539 *l.* per annum. It is obvious, that the payment of the dividends and of the interest of the bond-debt must fall exclusively on the profits of the tea, because there are no other commercial profits, a fact which can be explained in a very few words. The Company's exports from China, besides tea, were always trifling in amount, and the profit, if any, of course trifling also. Of late years they have ceased altogether. With respect to the imports into that country from this, the Company themselves showed, and at the very period to which the account refers, that there was not only no profit, but a loss, which, on an average of six-and-twenty years, amounted to 1,668,103 *l.* (Minutes of Evidence on India and China Trade, Lords Committee, page 118.) Neither, it may fairly be supposed, is the India Trade carried on in a profitable manner. We have the Company's own testimony to this effect, down to nearly the close of the last charter, when their accounts exhibited a loss of 355,846 *l.* per annum, (Papers relating to East India Affairs, East India House, 8th April 1810.) Nor is it reasonable to conclude that now, with more numerous and active competitors, and a greatly diminished trade, that this branch of commerce can be attended with a profit, however trifling.

No. 19.—COMPARATIVE STATEMENT of the Average Prices of the Company's and Private Trade Teas imported on the ships Macqueen, George the Fourth, Marquess Huntly, Lord Lowther, Castle Huntly, Marquess Camden, and Orwell, as sold together at the East India Company's September Sale 1829.

	East India Company.	Privilege Tea.	Difference per lb.	Difference per cent.
	s. *d.*	*s.* *d.*	*d.*	
Congou - -	2 2. 86	2 3. 88	1. 02	3. $\frac{7}{16}$
Twankay - -	2 2. 67	2 10. 14	7. 47	28.
Hyson - - -	3 10. 66	3 11. 32	0. 66	1. $\frac{4}{16}$

Note.—"Sale List," by John Nicholson & Co. London.

No. 20. (A.)—SKETCH, exhibiting a Comparison of the Duties and Revenue on Tea, under the Systems of Monopoly and Free Trade; estimated on the Consumption and Revenue of the Year 1828-29.

TEAS.	QUANTITY.	East India Company's Sale Price.	Company's Price, with the Duty.	American Price.	American Price, with same Amount of Duty.	Reduction of Cost, with same Duty to the State.	Present Ad Valorem Duty.	Actual Duty, as levied on the American Price.	Specific Duty which might be imposed in an open Trade, without increasing Price to Consumer.	Present Revenue.	Revenue which might be raised, without augmenting the Cost to the Consumer.
	Lbs.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	per cent.	per cent.	*s. d.*	£.	£.
Bohea - - -	3,778,012	1 6. 65	3 0. 55	0 9. 83	2 3. 73	0 8. 82	96	182	2 2. 72	281,839	420,681
Congou - - -	20,142,873	2 3. 88	4 7. 76	1 7. 40	3 11. 28	0 8. 48	100	142	3 0. 36	2,339,930	3,051,645
Campoi - - -	284,187	2 9. 14	5 6. 28	1 7. 40	4 4. 54	1 1. 74	100	170	3 10. 88	39,241	55,511
Souchong - - -	601,739	2 10. 38	5 8. 76	1 7. 40	4 5. 78	1 2. 98	100	177	4 1. 36	86,199	123,758
Twankay - - -	4,101,845	2 5. 72	4 11. 44	1 7. 40	4 1. 12	0 10. 32	100	153	3 4. 04	507,945	684,325
Hyson-skin - -	213,993	2 3. 84	4 7. 68	1 4. 56	3 8. 40	0 11. 28	100	168	3 3. 12	24,823	34,881
Hyson - - -	1,014,923	4 1. 75	8 3. 50	2 7. 05	6 8. 80	1 6. 70	100	160	5 8. 45	210,385	289,465
Gunpowder - -	645	6 6. 51	13 1. 02	3 2. 55	9 9. 06	3 3. 96	100	203	9 10. 47	210	317
TOTALS - -	30,138,217	- - -	- - -	- - -	- - -	- - -	- -	- -	- - -	3,490,572	4,660,583

Augmentation of Revenue - - £.1,170,011.

Note:—Papers relating to the Finances of India, and the Trade of India and China, No. 41. American price-currents for the ten years ending with 1829. The Company's Congou, Campoi, Souchong and Twankay, are reckoned at the same price as American Souchong. In the Canton price-currents, Congou, Campoi, Twankay and Hyson-skin, are quoted exactly at the same prices. In the American price-currents there is no Pekoe, which is therefore left out of the statement.

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No. 20. (B.)—SKETCH, exhibiting a comparison of the Duties and Revenue on Tea, under the systems of Monopoly and Free Trade; estimated on the Consumption of the Year 1828-29.

TEAS.	Quantities sold by East India Company in 1828-29.	Duty per pound considered as a Specific Impost.	Company's Price without the Duty per lb.	Company's Price with the Duty per lb.	Proposed Specific Duty per Pound.	Free Trade Price per lb. without Duty.	Free Trade Price per lb. with Duty.	Reduction of Price to Consumer under new duty, in an open Trade, per Pound.	Present Revenue.	Revenue, with proposed new Duties.	Increase of Revenue.	
											TOTAL.	Per Cent.
	Lbs.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*	£.	£.	£.	
Bohea - -	3,778,012	1 5. 90	1 6. 65	3 0. 55	1 6	– 9. 83	2 3. 83	– 8. 72	281,839	283,350	1,511	
Congou - -	20,142,873	2 3. 88	2 3. 88	4 7. 76	2 6	1 7. 40	4 1. 40	– 6. 36	2,339,930	2,517,859	177,929	
Campoi - -	284,187	2 9. 14	2 9. 14	5 6. 28	2 6	1 7. 40	4 1. 40	1 4. 88	39,241	35,523	—	
Souchong -	601,739	2 10. 38	2 10. 38	5 8. 76	3 –	1 7. 40	4 7. 40	1 1. 36	86,199	90,260	4,061	
Pekoe - -	131,281	3 9. 23	3 9. 23	7 6. 46	5 –	5 –	10 –	- - -	24,740	32,820	8,080	
Twankay -	4,101,845	2 5. 72	2 5. 72	4 11. 44	2 6	1 7. 40	4 1. 40	– 10. 04	507,945	512,730	4,785	
Hyson-skin -	213,993	2 3. 84	2 3. 84	4 7. 68	2 6	1 4. 56	3 10. 56	– 9. 12	24,823	26,749	1,926	
Hyson - -	1,014,923	4 1. 75	4 1. 75	8 3. 50	4 –	2 7. 05	6 7. 05	1 8. 45	210,385	202,984	—	
Gunpowder -	645	6 6. 51	6 6. 51	13 1. 02	6 –	3 2. 55	8 2. 55	4 10. 47	210	161	—	
Total lbs. -	30,269,498	- - -	- - -	- - -	- -	- - -	- - -	- - -	£. 3,515,312	3,702,436	187,124	$5\frac{3}{10}$

Note.—" Papers relating to the Finances of India, and the Trade of India and China, No. 41. American price-currents for the ten years ending with 1829.

EXPLANATION of the Statements marked No. 20, (A.) and (B.)

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IT does not appear from the reports of the merchants at the out-ports that there will be any difficulty in an open trade in tea in levying an *ad valorem* duty upon it; and the example of cotton is quoted in proof. A specific duty would, however, in all probability, be much more convenient; and the example of the United States, which has collected the revenue on this principle for 40 years, seems quite conclusive. The rates assumed in the statement marked (B.), are calculated on the basis of the present *ad valorem* duties, and are assumed at a high rate, for the purpose of giving, in the first instance, ample security to the public revenue. There can be little doubt, however, but that a more moderate impost would be more productive. Even in the United States of America the duties are considered by the statesmen of that country as much too high, as may be seen by the following extract from the Reports of the Secretary of the Treasury in 1827. "The use of tea has become so general throughout the United States as to rank almost as a necessary of life. When to this we add, that there is no rival production at home to be fostered by lessening the amount of its importation, the duty upon it may safely be regarded as too high. Upon some of the varieties of the article it considerably exceeds 100 per cent, and is believed to be generally above the level which a true policy points out. A moderate reduction of the duty would lead to an increased consumption of the article, to an extent that, in all probability, would in the end benefit rather than injure the revenue. Its tendency would be to enlarge our trade in exports to China; a trade of progressive value, as our cottons and other articles of home production, (aside from specie), are more and more entering into it. It would cause more of the trade in teas to centre in our own ports, the present rate of duty driving our tea-ships not unfrequently to seek their markets in Europe, not in the form of re-exportations, but in the direct voyage from China. It would also serve to diminish the risk of the United States ultimately losing any portion of a trade so valuable, through the policy and regulations of other nations."

But even with the high duty which is proposed in Sketch (B.), there will be a considerable saving to the public, as may be easily shown. The cost of the 30,269,498 lbs. of tea in 1828-29 to the public was as follows; viz.

Sale-price	£. 3,527,056
Duty	3,515,312
Total	£. 7,042,368

By the duty proposed in the Sketch, the cost will stand thus:

Sale-price	£. 2,357,047
Duty	3,702,436
Total	£. 6,059,483

This will produce a saving to the consumer of 982,887 *l.*, which in all probability will be laid out in an additional purchase of tea; if so, it will add 12,622,360 lbs. to the present consumption, making the whole 42,891,858 lbs. Whether the price fall or rise, the public revenue, with specific duties, is sure to increase. With the augmented consumption now supposed, it would be enhanced to the extent of 1,543,913 *l.* or amount in all to 5,246,349 *l.* In a word, under the proposed plan, the consumption and revenue of the kingdom in tea would each be augmented by above 40 per cent.

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No. 21.—AN ACCOUNT of the Amount of Duties of Customs and together with Mauritius, for the Six

ARTICLES.	1823:	1824:	1825:
	£.	£.	£.
Cloves, mace, &c. - - -	23,324	25,393	19,063
Coffee - - - - -	17,677	23,513	22,567
Sugar - - - - -	190,664	282,495	304,097
Tea - - - - -	3,850,558	3,865,099	4,030,439

Note.—Accounts relating to the trade between Great Britain and the East Indies, the articles, except tea, have been greatly reduced within the period given in the

No. 22.—COMPARISON of the Duties on Coffee, Cocoa, Sugar, Spirits and Tobacco, with those on

TEA.	Duty per Cent.	COFFEE.	Duty per Cent.	COCOA.	Duty per Cent.
Bohea - - - -	96	Jamaica triage - -	224	West India, common -	200
Congo kind, &c. - -	96	D° - middling - -	87	D° - superior -	140
Congo, common - -	100	D° - fine - - -	71	Grenada, ordinary - -	186
Congo, fine - - -	100	Dominica, ordinary -	124	D° - superior - -	140
Pekoe kind - - -	100	D° - middling -	86	D° - fine red - -	101
D° Campoi d° - -	100	D° - fine - -	71	D° - superior - -	86
Campoi, good - - -	100	Berbice triage - -	119	Berbice - - - -	186
Souchong - - -	100	D° - middling - -	87	D° - superior - -	133
Twankay, common - -	100	D° - fine - - -	72	St. Lucia - - -	186
D° - good - -	100	St. Domingo - - -	378	D° - superior - -	109
D° - fine - - -	100	La Guayra - - -	368	Trinidad - - -	186
Hyson kind - - -	100	Havannah - - -	358	D° - superior - -	109
Hyson skin - - -	100	Porto Rico - - -	368	Caracca - - - -	197
D° - - good - -	100	Brazil - - - -	368	D° - superior -	166
Hyson, common - -	100	Batavia - - - -	311	Brazil - - - -	583
D° - good - -	100	Chiribon - - -	320	D° - superior - -	500
D° - fine - - -	100	Sumatra - - -	350	Guayaquil - - -	560
Young Hyson - - -	100	Ceylon - - - -	262	D° - superior - -	500
Gunpowder - - -	100	Mocha - - - -	103	Saint Domingo - -	—

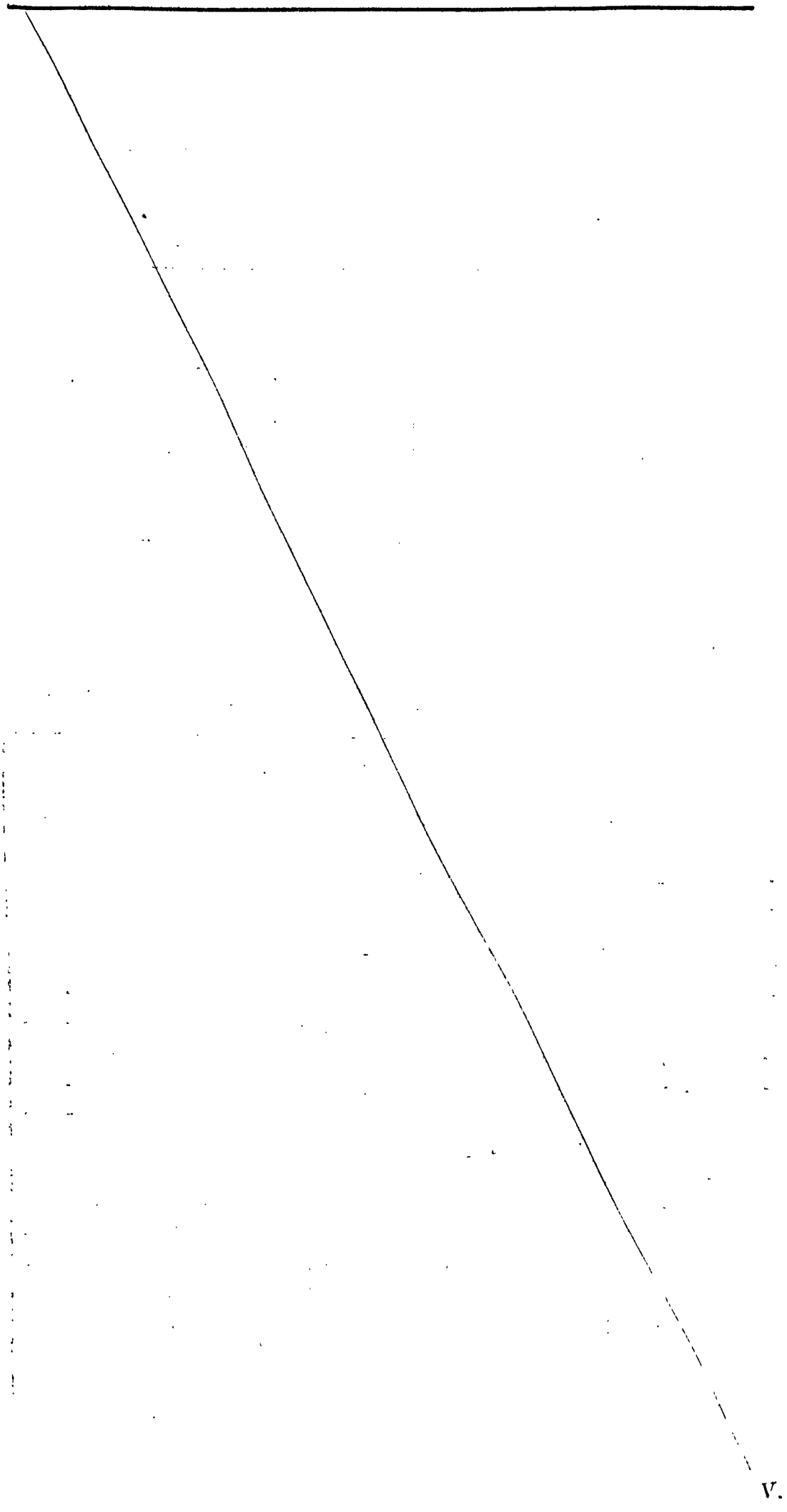
Excise received upon certain Goods imported from the East Indies, Years ending 5th January 1289.

1826:	1827:	1828:	Increase or Decrease per Cent of the three last upon the three first Years.	
			Increase.	Decrease.
£.	£.	£.		
20,266	27,298	26,368	9 per cent.	—
29,400	32,907	36,522	35 —	—
415,395	401,970	506,127	70 —	—
3,738,057	3,705,859	3,448,814	- - -	7 per cent.

1824–1829. Ordered by the House of Commons to be printed. The duties on all Statement.

Tea, calculated *ad valorem* from the quotations of the London Price Current of 18th March 1828.

SUGAR.	Duty per Cent.	Foreign and Colonial SPIRITS.	Duty per Cent.	TOBACCO.	Duty per Cent.
Jamaica, fine - - -	60	Brandy, cognac, 1st brandy 26–27 - - -	658	Maryland, fine scrub -	758
D° - middling - -	71	Second ditto - - -	794	D° - brown - -	1,028
D° - ordinary brown	87	Superior ditto - -	750	D° - fine yellow -	343
Demerara, fine - -	67	Bordeaux - - -	900	Virginia, fine black -	800
D° - middling - -	75	Hollands Geneva - -	843	D° - stripped ordinary	1,309
D° - ordinary brown -	90	12 *a'* 19 per cent Rum, Jamaica - - -	268	Kentucky, fine - -	900
Havannah, fine - -	131	D° - 20 *a'* 22 - -	248	D° - ordinary - -	1,600
D° - middling -	143	D° - 23 *a'* 27 - -	226	St. Domingo - - -	533
D° - brown - -	203	D° - 28 *a.* 34 - -	217	Havannah - - -	370
Rio, brown - - -	233	D° - superior - -	212	Segars, common - -	112
D° white - - -	170	D° - extra fine -	192	D° - superior - -	64
Bahia, brown - - -	225	D° - Leeward Island, proofs - -	408	East India	1,800
D° white - - -	180	D° - over-proofs -	364	D° - inferior - -	2,057
Mauritius - - -	81	Demerara, 23 *a'* 35 -	242	Virginia, middling black -	960
D° - low brown -	112			Kentucky, middling -	1,200
Bengal, fine white - -	102			Porto Rico	
D° - middling white -	108			Varinas.	
D° - low white - -	115			Brazil.	
China and Siam - -	188			Ukraine.	



V.

MINUTES OF EVIDENCE.

29th April to 13th May.

Jovis, 29o die Aprilis, 1830.

WILLIAM WARD, ESQUIRE, IN THE CHAIR.

James Cosmo Melvill, Esq., Auditor of the East India Company's Accounts, again called in; and Examined.

J. C. Melvill, Esq. — 29 April 1830.

4295. YOU are the Auditor of the East India Company?—I am.

4296. In your situation of Auditor, have you been led to consider the mode pursued by the Company in computing the upset-price of their teas?—The computation of the upset-price of tea forms no part of the official duty of my department; but it devolves upon me to prepare periodically financial views of the territorial branch of the Company's affairs; and in the performance of that duty I find it important and necessary, as far as practicable, to make myself acquainted with all the Company's arrangements of a financial nature, commercial as well as political; I will therefore endeavour to answer any questions which the Committee may be pleased to put respecting the upset-price of tea.

4297. Will you explain the principle upon which the Company fix the upset-price of their teas?—The Act of the 24 Geo. III., c. 38, usually called the Commutation Act, precludes the Company from putting up their tea for sale at any prices which shall, upon the whole of the teas so put up at any one sale, exceed the prime cost thereof, with the freight and charges of importation, together with lawful interest from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea-risk incurred thereon. The first point that the Company have to consider in carrying that law into effect is how they are to compute the prime cost of their teas. All the Company's consignments and remittances to China are made entirely with a view to, and do in fact terminate in, supplying their treasury at Canton with funds for the provision of tea. The course of proceeding which the Company adopt each season is this: they first take a view of the state of the market, and of the probable demand for tea, and, according to that view, frame their indent for a quantity of tea to be brought from China sufficient to keep up a year's consumption before-hand, as required by law, and estimate the probable cost of that tea in tales. The next step is to provide the means of paying for the tea. With that view they buy cotton in India for consignment to China, which is paid for in rupees received in reimbursement of sums disbursed in sterling, on account of that portion of the territorial charges of India which is incurred in England. They direct the supercargoes to receive dollars in China in exchange for bills upon India, which are paid in rupees, received in like manner. They purchase British manufactures for consignment to China, which are of course paid for in sterling. A very small portion, about one sixteenth of the whole, in 1828–29, was provided by bills drawn in China upon the Company in London. The prime cost of the tea brought to England under these arrangements is the sum expended in sterling in providing the tales with which the tea was bought, including freight and charges upon the outward consignments, which are in fact remittances, and upon the homeward investment of tea.

4298. Does it also include the charge of interest?—Interest forms a necessary

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part of the charges. The Company, as merchants, are entitled to charge interest from the date of expending the money in making the remittances until the period when, if they were free from the restriction of the Commutation Act, they would be in the situation to sell the tea. That Act, however, restrains the Company from selling their tea immediately upon its arrival, by requiring that they should keep a considerable stock on hand; and in order that they may suffer no loss on that account it is provided that the Company shall add to the prime cost of the tea lawful interest from the time of its arrival in Great Britain. Combining, therefore, ordinary usage, as respects interest being included in the invoice-charges, with the Parliamentary enactment, the upset-price of the tea should include interest from the time of the first expenditure to the time when the sale-proceeds of the teas are realized.

4299. You state that interest is charged from the date when the money is expended in providing funds for the purchase of the tea; is that the principle upon which you charge interest?—That is the principle which regulates the Company's charge of interest. The amount of the charge is not minutely ascertained from year to year; but I have taken out the particulars of the year 1828–29, which is that of which the Committee have had a statement of the items of the upset-prices; and I have ascertained that the Company's charge for interest, although regulated upon the principle which I have explained, falls short of what it would be upon an actual computation.

4300. Will you explain upon what data you go?—The invoice-charge of interest upon the outward consignments from England is six months, and I have ascertained that the proceeds of these consignments in the last year, 1828–29, were not realized for ten months upon an average. Again, the charge which the Company make of interest under the Commutation Act is for 18 months, and I have ascertained that the average period that the tea is in warehouse here is 20 months.

4301. Can you state what proportion of the funds required for the purchase of tea in China is raised by bills in India, or by consignments of merchandise from India?—The whole portion remitted from India amounts to about two thirds of the whole, including consignments of merchandise from India to China, as well as bills drawn from China upon India.

4302. That proportion which has been raised by being remitted from India being raised in dollars in exchange for rupees, how is the sterling value of the rupees calculated?—At the intrinsic par of the rupee, computing the value of fine silver at the old mint standard of 5 *s.* 2 *d.* an ounce.

4303. But there is at present no such standard in silver?—I am perfectly aware of that circumstance. The standard in this country being gold, there is no such standard as 5 *s.* 2 *d.*, nor can there, I apprehend, be any accurate standard for silver, but the market-price, in a country where the standard is gold.

4304. What is the market-price of silver at present?—4 *s.* 11 *d.* an ounce.

4305. The market value appears then to be 3 *d.* per ounce less than the amount observed in the Company's calculations; has not there been an over-valuation in your computation of the tale to that extent?—If the Committee were to restrict their view to the two or three last years, undoubtedly there would appear to have been an over-valuation of the tale in that respect; but in former years of the present charter the market-price of silver considerably exceeded the old mint standard of 5 *s.* 2 *d.*; and I have ascertained that upon an average of all the years since 1814–15, there is only a fractional difference between the value of the rupee at the market-price and at the old standard.

4306. Then from your statement it would appear that upon an average of years there has not been any over-valuation of the tale by the system the Company have observed of bringing the rupees into dollars?—That is what I meant to say; and I would beg leave to add, that the Board of Control, acting upon the authority given to them by Parliament, compel the Company to credit the Indian territory with the rupee at more than 12 per cent above the old standard of 5 *s.* 2 *d.*, which valuation, being one to which the Company as advised are bound by law to submit, they would have been perfectly justified in applying to their transactions with China.

4307. That being the case, how do you account for their not having proportionately increased the upset-price of tea?—The Company have never acquiesced in the rates of exchange prescribed by the Board; but have persevered up to the present time in earnestly remonstrating against the observance of those rates, and in

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in entreating a revision of them. The China accounts are not legally within the control of the Board, and therefore, although the Company must submit to the loss by this exchange, yet they have been unwilling to give the least sanction to the rates by introducing them into the valuation of the tale in computing the cost of tea, the more especially as, if they had done so, it would have had the effect, which I trust I may be permitted to say the Company always deprecate, of raising the upset-price of tea.

4308. Do not the Company adopt a different mode of valuing the tale in their account of profit and loss from that which you have explained with reference to the upset-price of tea?—Yes. In their profit-and-loss accounts they adopt the fixed rate of 6*s.* 8*d.* as a medium rate; and the Committee will see that the Company are compelled to use a different rate in this account, as the effect of the Board's rates must be adjusted in the profit and loss. With respect to this old rate of 6*s.* 8*d.*, I find that it was recognized in the year 1781, in a paper appended to the Ninth Report of a Select Committee of the House of Commons on East India Affairs, being a Report from a Committee of East India Proprietors, adopted by the General Court, which, with the permission of the Committee, as it explains the view which was then taken of what constituted *prime cost*, I will take the liberty of reading: "With respect to merchandise sent out from England to India, and merchandise returned home from thence, the produce must vary according to the market abroad and at home, and according to the ideal value affixed to foreign currency, but can only affect the Company, or be decided on the following position; for instance, suppose 100*l.* laid out in broad cloth in England sells in Bengal for 1,200 current rupees; if on this occasion the exchange be reckoned at 2*s.* per current rupee, the profit is 20 per cent; if 2*s.* 3*d.*, the profit is 35 per cent; again, if the produce of 1,200 current rupees be laid out in muslins, and these, when brought to England, sell for 150*l.*, the produce of the operation, reckoning at 2*s.* the current rupee, will be 1,500 current rupees, or an apparent profit of 25 per cent; at 2*s.* 3*d.* the current rupee will be 1,333 $\frac{1}{3}$, or an apparent profit of only 13$\frac{1}{3}$ per cent. But the real profit to the Company in England, by comparison of first costs, will be 50 per cent, which is the only point that can be established, let the discussion be carried on ever so long, except that the higher the exchange in India the greater the apparent profit there, and the reverse in England; so that, for the purpose of the present calculation, your Committee have adopted the Company's valuation; viz. tale 6*s.* 8*d.*" The Committee will observe, that this latter principle of comparing first costs is that which the Company now adopt. The paper which I have read was before Parliament a short time previously to the passing of the Commutation Act; the clause in which affecting the question of prime cost was proposed by the Company in the very terms in which it is enacted.

4309. Can you state to the Committee what has been the average cost of the tale to the Company since 1814, upon the principle which you have been explaining?—The average cost of the tale to the Company since 1814–15, upon the principle which I have explained, has been 6/7. 502.

4310. What has been the average rate per tale since 1814 at which bills have been drawn upon the Company in England from Canton?—The average rate per tale at which the Company have been drawn upon from Canton since 1814–15 is 6/8. 77. The Committee will see that if that principle had been observed the charge of interest in the computation would be for 12 months less than that included in the Company's calculation, because bills of exchange would comprise the interest for that period; but on the other hand the Company's calculation includes charges that would be incurred if supplies were obtained by bills. Adjusting both sides of the calculation, I find that the rate at which the tale would have been computed in the upset price of tea, if the bill of exchange-rate had been the principle of computation, would have been 6/8. 949 decimals.

4311. Do you not consider that it is the ordinary usage to value the coin of a foreign country expended in the purchase of consignments to England in sterling at the current rate of exchange?—I am perfectly aware that such is the usual practice; the principle, indeed, seems quite clear. In ordinary cases it very frequently happens that the cargo abroad is purchased with funds raised by bills of exchange, and the cost of those goods in sterling would, in such a case, be the sterling amount of the bills; but the adoption of any such system by the Company in their present circumstances, even were it practicable, would defeat the

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financial provisions of the Legislature in respect of India. If the Company were to buy their teas by means of bills upon themselves, they would have to pay those bills out of the proceeds of the teas, and then there would not be funds for the territorial charges of India.

4312. Will you explain to the Committee what is the nature and the amount of those territorial charges?—They comprise the reimbursement to the public of that portion of the expenditure of Great Britain which is incurred in respect of His Majesty's troops serving in India. They also embrace the furlough, and retired allowances of officers in the Company's army, the cost of territorial stores sent to India, political freight and demurrage, and also a portion of the interest of the Indian debt. The aggregate of those several charges may be stated to amount upon the average to 3,000,000*l.* per annum, which is remitted by the Company principally through their India and China trade; and the Indian territory has the important benefit of effecting this remittance at advantageous rates of exchange.

4313. In what mode does the territory obtain this advantage?—The territory obtains this advantage by remitting the three millions annually at the Board-rates of exchange: 2/3. 84. per Sicca rupee.

4314. Can you state to the Committee what proportion of the remittance is effected through the China trade?—At present about one million sterling per annum. It has been, and it continues to be, the policy of the Company to increase the remittances through that mode.

4315. At what rate do the Company credit the Indian territory with the sums so remitted?—At 2/3. 84. the Sicca rupee.

4316. Instead of 1*s.* 11*d.*, for the reasons you have stated?—1*s.* 11*d.* is, I believe, the market-rate now.

4317. Can you state to the Committee what is the present rate of exchange in India for bills upon England?—The last quotation I have seen is 1*s.* 11*d.* per Sicca rupee.

4318. You have stated that this remittance is at 2*s.* 3*d.* instead of 1*s.* 11*d.* Is that 2*s.* 3*d.* put upon the tea in computing the upset price?—No; the computation of that part of the remittance from India, which affects the upset-price of tea, is made, as I have already explained, at the old mint standard of 5*s.* 2*d.*, which values the rupee at about 2*s.* 0$\frac{5}{8}$*d.*

4319. Still would it not appear, according to the computation of the rupee being valued at 2*s.* 0$\frac{1}{2}$*d.*, whilst in Bengal the exchange is 1*s.* 11*d.*, that it is taken at 1$\frac{1}{2}$*d.* beyond the real worth in Bengal of the rupee?—But the Company, for the reasons I have already given, cannot extend their drafts upon themselves from Bengal without defeating the Act of Parliament in respect of the Indian charges, and the cost of the Company placing their rupees in Bengal under the system prescribed by the Act, much more than accounts for that difference.

4320. Can you state to the Committee at what rate, upon the average, since 1814, the Company have placed the tale in China by means of bills upon India?—5/10. 04.

4321. Can you also state at what rate by consignments of merchandise from India?—6/7. 36.

4322. It would then appear that the consignments of merchandise have been a much less profitable mode of remittance than that of bills; how do you account for the Company having continued to adopt that mode—The rate I have mentioned for merchandise of 6/7. 36. includes freight, which, had the funds been raised by bills, must have been charged upon the tea; omitting freight, the cost of the tale by consignments of merchandise from India to China is reduced to 5/7. 76.

4323. Then you mean to state that the upset-price has been rather kept down than otherwise by the practice of the Company in sending merchandise from India to China?—Clearly so; and encouragement has at the same time been given by the Company to the trade in an important article of Indian produce

4324. Can you state at what rate the tale has been placed in China by consignments of British manufactures?—At 7/-. 49.

4325. You take the average since 1814?—Since 1814; the rate would be lower if we took an average for a smaller period of years.

4326. Then

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4326. Then you are of opinion that the most disadvantageous mode which the Company can adopt of providing funds for the purchase of teas is by sending British manufactures?—I think that must be admitted.

4327. That being the case, can you explain why the Company have continued to adopt that mode, that being so disadvantageous?—The Committee must of course be aware that the Company have always, from policy, been desirous of exporting the produce and manufactures of Great Britain to places to which they have an exclusive privilege of trading; and I believe I may say that the Company have felt themselves under something of a moral obligation to do so. This policy has at different times been not only sanctioned but enjoined in the charters granted to the Company and in legislative enactments. At the period of the last renewal of the charter, the trade with India being then opened, of course the Company ceased to feel it *obligatory* upon them then to send British manufactures to India, although they determined not to cease doing so until it should become absolutely necessary; but as they had the exclusive privilege of trading to China they felt the force of the old obligation still binding upon them, as relating to exports to that country; and it was well understood between the King's ministers in 1813, and the representatives of the Company, that these exports to China were to be continued. I may add, that when in 1826 the Company found it necessary, from the state of the trade, materially to restrict exports of British manufactures to India, Mr. Williams Wynn, then president of the Indian Board, remonstrated against that determination; and as that related to exports to India, I think the Company were entitled to conclude that the remonstrance would have been much more decided if it had had reference to exports to China. But independently of the policy which has actuated these exports of British produce and manufactures, it by no means appears to me that the tale has been valued more highly than it would have been if all the funds for buying tea had been provided in either of the other modes; for I cannot imagine that the Company could have materially increased their supplies of cotton to India, or their demaud upon the Canton market for money in exchange for bills, without immediately either lessening the value of the cotton in China, or raising the exchange for the bills. I would further state, that in a concern of so much magnitude and importance as that of the Company's in China, it is necessary that they should be secure against the possible failure of funds there, which might be the consequence of their having recourse to only one method of remittance. The Company act upon a system; and I would submit that one good test by which that system might be tried would be, whether the valuation of the tale, by all the combined methods which the Company have pursued, is or is not as good for the public as if the Company had supplied their treasury by consignments of bullion.

4328. Are you able to state to the Committee what, upon the average since 1814, would have been the cost of the tale if the consignments had been entirely in bullion?—6/6. 278., which by the addition of the charges now included in the valuation of the tale produced by consignments of merchandise to China, would be increased to 6/10. 490., which, is 2*d.* 988., in excess of the cost, at which, by the Company's combined operations, the tale has been placed in China.

4329. Can you explain upon what grounds you make this valuation which you have just given to the Committee?—I take the average market-price of dollar silver in London in each year since 1814–15; I add nine months interest, at the rate borne by the Company's bond-debt in England, insurance at the market-rate, and one per cent for brokerage, shipping expenses and freight.

4330. What is the amount of the insurance?—It has varied; it was four per cent in the early years; and that which the Company now adopt is three per cent.

4331. Do you take that calculation from facts?—From the rate of sea-insurance adjudged every year by the mercantile committee at the India House.

4332. Is that upon bullion?—The Company not being in the habit of exporting bullion, the committee do not fix a separate rate for bullion. I have taken the rate for merchandise. The rate for bullion is I believe less; but the difference will not affect the principle of the calculation I have now submitted. It would make a small alteration in the degree.

4333. It has been stated in evidence to the Committee that a very large sum, amounting to two millions sterling, might be obtained in exchange for bills upon England. Do you think, to that extent, it would be possible so to obtain money in exchange upon England?—Any opinion I can give upon that point must be formed

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from a perusal of the official despatches of the Company's select committee in China; and from what they have at different times reported of the state of the money-market at Canton, I must be permitted to entertain very great doubts whether so large a sum as two millions sterling could be raised by bills upon England in any one year, and I am quite convinced that it could not be done consecutively from year to year; were it otherwise, the rate of exchange would be so enhanced by the demand as to make the tale much more expensive than under the present system. Besides, if the Company were known to depend on that mode of supply, they would be at the mercy of a few merchants at Canton, who would have it in their power to combine and dictate the rate of exchange, which inconvenience is not merely speculative; it is one which the Company's servants in China have sometimes mentioned in reference to their limited demands for money in exchange for bills. I would again remind the Committee, that the Company cannot grant the bills, or rather if they were to grant them the law would be defeated.

4334. Will you explain in what manner the law would be defeated?—I refer especially to the 56th section of the Act of the 53d, which enacts, that a sum equal to the actual payments made from the commercial funds at home, on account of territorial charges in the year preceding, shall in each and every year be issued in India for the purpose of the said Company's China or India investment. The Company must pay the demands upon them on account of the Indian territory, and they could not pay those demands if they drew those bills.

4335. Do you think it would be imprudent to risk the non-provision of funds at Canton, which would be the case if the exchange at Canton was exclusively relied on?—I do.

4336. Are you aware that the Canton price-current states the rates for bills upon England?—There is such a quotation in the Canton price-current, but I never heard of a corresponding quotation in the London price-current. It appears to me that bills are generally created by exports of produce; and in this case the Company, who are the great exporters from China to Europe, cannot, as I have explained, grant the bills.

4337. Do you mean to say that there is no regular exchange between China and England?—Bills have certainly been drawn to some extent. The Company draw a small amount. The supercargoes, whose salaries are payable in England, occasionally draw. There must be ship-bills; and I have seen it stated in evidence before this Committee that the Americans have lately raised funds in China in that mode, though, if they continue to do so, instead of importing dollars, the exchange will soon be affected.

4338. Do not you think that the probability would be, that there would be a more regular exchange between England and China if it were not for the Company's monopoly, and if a free trade existed between this country and China?—I think it must be admitted, that if the trade were free there would be a regular exchange between this country and China, as there is between this country and India. The parties who engaged in that free trade would not be under any obligation to make it a channel of remittance from India, which the Company are compelled to do. If free traders to China were able, through the demand in India for remittance to Europe, to buy their teas with funds obtained more cheaply than the Company now obtain them, all such advantage would be derived at the expense of India, because, unless the connection of this country with India were dissolved, India would still have to transfer that large amount of capital, estimated at 4,000,000*l.* sterling per annum, (three fourths of which is now brought by the Company at a favourable exchange,) which must be transferred in some way through trade, although it is wholly distinct from commercial returns. It appears to me that this circumstance presents a formidable obstacle to the growth of a profitable export trade from this country either to India or to China, and explains the difficulty (which I see stated in the evidence given to this Committee) of effecting returns for the exports of manufactured goods to India.

4339. You have stated before, that the average amount of remittance from India charged to be paid in England for stores, half-pay, and so on, amounts to 3,000,000*l.*; how do you reconcile that with your statement now that a remittance of 4,000,000*l.* would be necessary?—3,000,000*l.* is the government remittance; in addition to that there is an accumulation of private fortunes, and there are the allowances for families in England of persons resident in India, which I estimate at 1,000,000*l.*

4340. On

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4340. On what data do you give that opinion as to those items, amounting on an average to 1,000,000 *l.* sterling?—I have no other data than the opinions recorded upon the proceedings of the Court of Directors, by persons who are supposed to be most conversant with Indian subjects.

4341. Are there any recorded opinions at different times on that subject in the proceedings sent from India?—I do not remember to have seen any such calculations recorded upon the Indian proceedings. There are some I think upon the proceedings of the Court of Directors.

4342. Do you think the rate of exchange in China is, or is not, a criterion to be depended upon in computing the prime cost of the teas?—It seems to me, that to value the tale upon any such principle would be to assume, first, that the Company might draw bills, which, if they had drawn, would have defeated the operation of the law in respect of the charges of India; and secondly, that if they had done so, they could have obtained 2,000,000 *l.* as cheaply as 200,000 *l.*

4343. You give that opinion as applied to the existing state of things?—Yes.

4344. Do you conceive that the Legislature, in speaking of prime cost, could not have intended such a mode of computation?—I have great reluctance in presuming to give an opinion upon that point. Independently of my statement, that the clause in the Commutation Act was prepared by the Court of Directors, who a short time previously to preparing it had themselves expressed a view of what constituted *prime cost*, accordant with the principle now adopted, and which was before Parliament when the Act was passed, it strikes me that the Legislature in speaking of prime cost must have meant a computation founded upon fact, which the rate of exchange would not in this case show. Besides, if the Committee will be pleased to refer to the Acts of the 13 Geo. 3, c. 64, 19 Geo. 3, c. 61, 20 Geo. 3, c. 56, 21 Geo. 3, c. 65, they will find that about the time when the Commutation Act was in progress Parliament was in the habit of controlling, and in some cases absolutely prohibiting, the Company from accepting bills of exchange. I would also venture to suggest one other point deserving of some attention; if Parliament intended that the calculation of prime cost should invariably be governed by the rate of exchange, they would not have authorized interest from the time of the arrival of the tea in England; because bills being drawn at six months sight there would have been in that case a double allowance of interest for the period the bill had to run after the arrival of the tea.

4345. You have stated your opinion that it would be impossible to draw two millions worth of bills from Canton upon England for consecutive years; does not the amount of bills, which it is possible to draw from one country to another, depend upon the extent of the commercial transactions between those countries?—Undoubtedly.

4346. Then supposing there to be an extension of commerce between England and China, would it be impossible that a larger amount of bills could be drawn from Canton upon England than is now drawn?—The opinion which I have expressed has reference to the present period and to present circumstances. I am not prepared to say that the trade could be profitably increased; but of course if it could, the means of remittance would be increased.

4347. Then the difficulty of drawing an additional sum by bills from Canton upon England arises partly out of the present state of the law as affecting the commerce between the two countries?—From the present state of the law, rendering it obligatory upon the Company to apply the proceeds of their teas to the Indian charges.

4348. In answer to a former question you stated, that in calculating the prime cost of the tea you included freight, insurance, and interest on the outward investment; do you also include any mercantile profit on that investment?—I thought I had explained to the Committee that we took on the one side what we expended in sterling, and on the other side what that expenditure produced to us, and that gives the value of the tale. Of course if there is a difference forming profit or forming loss, it would come into the computation of the advantage or disadvantage of the several modes of remittance to China.

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4349. In taking that expenditure you charge the amount of interest and the amount of freight; do you also credit that account with a certain rate of profit which you think you should make upon the sale?—No, we take the actual result of the transaction.

4350. So that in that case,supposing there is a loss, that loss is charged upon the price of the teas?—It affects the value of the tale.

4351. Are you aware that there is every year a very large export of silver, foreign and native, from China to India, and that this money may be had by the Company for bills on England or India to any extent?—I am aware that there is a considerable export of bullion to India; but I am not aware that money may be had for bills on England or India to any extent.

4352. You mean to say that you have no means of ascertaining whether money may be had by the Company for bills on India or England to any extent?—So far as my recollection serves me, I think that when there has been a large amount of bullion sent from Canton to India, the supercargoes have occasionally felt great difficulty in negotiating bills upon the Court for a considerable sum.

4353. But not bills upon India?—I am not aware that they have felt much difficulty in negotiating bills upon India.

4354. In what way has that difficulty arisen; has it arisen in their not obtaining bills at the exchange they have opened the treasury at, or have they advertised for tenders of bills and not obtained them?—Having opened the treasury at a fixed rate of exchange, they have, so far as I can remember, been compelled to raise the rate, and after all not succeed in obtaining so much as they wished.

4355. Did not that arise from their raising the exchange after, perhaps, the bullion had been sent away?—It probably arose in a great measure from the depressed state of the money-market in India, and of the opium trade at Canton. There can be little doubt they might have increased the supply if they had offered extravagant rates.

4356. Can you state at what period that took place, and what was the rate of exchange originally offered, and the rate of exchange to which the Company's Factory advanced their bid afterwards, and for what sum it was?—I am not prepared at present with these particulars; but I will obtain them for the information of the Committee.

4357. Are you aware that the Americans have ever met with any difficulty in using their credits on England?—I never heard till lately that they had adopted that method.

4358. Since they have done so, have you heard of any difficulty?—I have seen nothing upon that subject but what is recorded in the evidence given to this Committee.

4359. It has been stated in evidence to this Committee that the public could be supplied with the same quantity of teas as are sold at the Company's sales for the sum of 1,500,000 *l.* less than the Company receive; do you agree to that; or can you give any reasons for differing from that calculation?—I trust that in answering that question I may be allowed to premise, that as the calculations upon that subject which have been submitted to this Committee have reference to a trade in tea altogether different from that which the law has prescribed for the conduct of the East India Company, the result of those calculations must be totally fallacious when viewed as a test of the past management of a public trust; and if the result of the calculations in question be intended as a hypothetical view of the future, it strikes me that it can be of little value, unless it be determined by Parliament that the system under which the Company now administer their combined trust may be dispensed with. Independent, however, of these considerations, it appears to me, upon an examination of the calculations, that one fallacy attends most of them. * Mr. Bates, † Mr. Thornely, and ‡ Mr. Rickards, (in his second statement,) take the

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* Page 330 - - - question 3955.
— 332 - - - — 3989.
† Page 268 - - - — 3413.
‡ Page 273 - - - — 3454.
Second statement, page 274.

the valuation of the tale according to the rate of exchange at the period of unusual depression; making the tale, according to Mr. Bates, (page 330, quest. 3955), 5/5 $\frac{2}{7}\frac{0}{2}$; according to Mr. Thornely, (page 268, quest. 3413), 5/6 $\frac{2}{3}$; and according to Mr. Rickards, (page 273, quest. 3454), 5/6 $\frac{2}{3}$. These rates are all lower than any at which the Company have been drawn upon, and they are also lower than any which I have seen quoted. I hold in my hand the Canton price-current of April 1829, (and which is the latest period to which a rate could be applied to the transactions to which these calculations refer), which quotes the exchange upon London from 4/ to 4/2 the dollar; whilst these gentlemen compute the tale by a supposed *late* rate of exchange, they compute the Company's charge for tea at the prices realized in periods during most of which the exchange value of the tale was infinitely higher. I think the Committee will see that in order to make a fair comparison, the valuation of the tale, and the price of the tea, should have reference to the same periods. Besides this general objection to all these computations, I find that with respect to that submitted by Mr. Bates he is mistaken arithmetically. Mr. Bates (page 332, quest. 3989,) selects contract Congo tea; estimates its price in China at 29 tales per pecul; and states its cost in sterling at 13 $\frac{1}{2}$ *d.* a lb. Now, after making the deduction which Mr. Bates allows, and states that he has himself made for wastage, and reckoning the tale at the lowest rate of exchange which has been assumed; viz. 5 *s.* 5 $\frac{2}{7}\frac{0}{2}$ *d.* the cost in sterling, instead of being 13 $\frac{1}{2}$ *d.* is 14 $\frac{1}{2}$ *d.*, to which adding 3*d.* per lb. for freight, 7 $\frac{1}{2}$ per cent for charges, and 10 per cent for profit, those being the rates stated by Mr. Bates, the price per pound is 20. *d.* 03 instead of 18. *d.* 86. The whole quantity of tea sold by the Company in 1829–30, was 27,455,063 lbs. weight. If that quantity of contract Congo, the tea selected by Mr. Bates's, were sold at the price assumed by Mr. Bates, as now corrected, it would produce - £. 2,291,353 – –

And at the average price realized for such teas at the Company's sales in 1829–30 - - - - - - 3,238,781 – –

The difference being - - - - - - 947,428 – –

which is, even upon Mr. Bates's data, one third less than the amount which he has stated is overpaid by the public under the present system. Of this sum of 947,428 *l.* 350,280 *l.* results from the biddings at the Company's sales beyond the price at which the Company offered to sell the tea, so that the real excess of the Company's charge beyond that assumed by Mr. Bates is reduced to 597,148 *l.* whereof one third is ascribable to the difference in exchange, and most of the remainder to the items of freight and interest, the Company's charges of which are necessarily in excess of those which a private merchant would incur, owing to the laws which regulate their shipping, and make it obligatory upon them to have a large stock of tea on hand. Perhaps it is unnecessary for me to trouble the Committee with any similar details respecting the calculations upon this subject by Mr. Thornely and Mr. Rickards, many of the objections just stated being equally applicable to them. Mr. Thornely states the excess of charge to the public for tea to be 1,727,934 *l.* This is in 1828–29. Applying the same principles to 1829–30, the excess in that year, according to Mr. Thornely's data, is 1,680,478 *l.*; but Mr. Thornely assumes the average sale-price realized by the Company upon all descriptions of tea at 2 *s.* 8. 06 *d.* per pound, whereas in 1829–30 it was only 2 *s.* 2. 55 *d.* The difference between these two sums on 27,455,063 lbs., the quantity sold, is 630,322 *l.* So that Mr Thornely's excess of charge is brought down one third below his estimate. It will be further observed, that Mr. Thornely has made no allowance whatever for interest on the capital employed, or for wastage. Mr. Rickards computes the prime cost for the tea in the coin of China very far below what is taken either by Mr. Bates or Mr. Thornely, and so far below what is actually paid by the Company, that I cannot imagine that the Company could have obtained teas at the prices computed by Mr. Rickards (page 273, q. 3454.) without a deterioration in quality. Mr. Rickards attempts to show the cost to the public under the present system to be much greater than that implied in the computations of either of the other gentlemen; but this arises from Mr. Rickards having included what he conceives to be excess of tea-duty paid to the State.

4360. In examining Mr. Rickards's statement have you found that he has fallen into the same error as Mr. Thornely, and computed the reduction of 6 *d.* in the pound in his estimate?—Mr. Rickards has taken the average for a number of years; but he falls into the same error as Mr. Bates and Mr. Thornely, of taking the rate of exchange in one year, and the prices in another.

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4361. Have you seen a price-current of Canton of June 1829, in which the exchange is stated at 3 *s.* 11 *d.*?—I have seen only the price-current of April 1829, in which it is stated at from 4 *s.* to 4 *s.* 2 *d.*

4362. You have stated that an error runs through the calculation of those gentlemen, inasmuch as they have taken the lowest rate of exchange, applying it to the price for the whole period. Are you not aware that Mr. Bates's calculation is only founded upon one year, during which he states that the average rate of exchange was that which he took?—So far as respects the exchange, but not as respects the prices realized by the Company for the tea.

4363. Are you aware that Mr. Bates states in his evidence, when he takes the last sale-price at 2 *s.* 7 *d.*, "that is the price obtained at the last sale of the East India Company?"—Yes, but that is not the fact; the average price was 2 *s.* 4 *d.* 312 decimals, instead of 2 *s.* 7 *d.*, as taken by Mr. Bates.

4364. Will you be good enough to give in a statement of your calculation, by which you make the price of tea in 1829 come out to 14 $\frac{1}{2}$ *d.* instead of 13 $\frac{1}{2}$ *d.*?—My calculation is simply this: a pecul of tea, 133 $\frac{1}{3}$ lbs., losing two and a half per cent by wastage, purchased for 29 tales, each tale being worth 5 *s.* 5 $\frac{2}{7}$ $\frac{9}{2}$ *d.*, costs 14 $\frac{1}{2}$ *d.* per lb.

4365. You have said that the average sale-price received last year was 2 *s.* 4 *d.*, and in correcting Mr. Thornely's computation you state it at 2 *s.* 2 *d.*?—Mr. Bates's evidence applies to *Congo* tea, Mr. Thornely's applies to *all* descriptions of tea; that accounts for the difference between those two prices.

4366. From Mr. Bates's calculations you have deducted a sum of about 350,000 *l.* as excess obtained by the Company in the sale of tea in the price at which they put up their teas; do not you consider that as a profit by the Company?—Undoubtedly it is profit; but my distinction is this, it is not what they demanded, it is the result of a fair competition in a market abundantly supplied.

4367. Will you explain what you mean by a fair competition?—I mean that any one may go and bid for the teas.

4368. That is according to the supply which the Company put into the market?—I will explain how the Company manage their supply. Previously to making the tea-declaration every quarter, they look at the amount of the deliveries during the previous quarter; they look also at the quantities sold in the previous sales, and they always put up at the sale a larger quantity than the average amount of the deliveries at the previous sales of the year, increasing the quantities of those sorts of tea from which there appears to have been the greatest demand; that is also the principle which governs the Company's orders to China for tea. The Committee are also perhaps aware that, as a proof of the market being abundantly supplied, very large quantities have been rejected.

4369. That is to say left unsold at the upset-price?—Exactly.

4370. Are the dollars that arrive here from China so inferior in quality that they are necessarily melted, and sold as silver, being unfit for use as dollars?—I have heard that that is the case, but I have not had an opportunity of ascertaining it officially. I am not aware, within my experience, of the Company's having brought dollars from China to England.

4371. If that is the case, does not it follow that any person computing the dollar at Canton at 3 *s.* 11 *d.* should take it into his consideration the inferiority of the quality?—Undoubtedly; the value of the dollar in exchange must be affected by the quantity of silver contained in it.

4372. Do you think that the Company might conduct the trade at a lower rate of freight than what appears to be the freight paid for the East India Company's ships?—The Company take up their ships under the provisions of an Act of the Legislature. I allude to the 39 Geo. 3, c. 89., the provisions of which were re-enacted in 1818, in an Act carried through by the late Mr. Canning, when President of the India Board. The Act provides that the Company in contracting for ships shall make it a condition of the contract that those ships shall be applicable to trade, and to warfare. The Act also requires that the Company shall take up the ships for a certain number of voyages, and although that may be an arrangement, which, generally speaking, is at least as beneficial to the contractor as to the Company, yet when it happens, as it has done to the Company, that

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contracts have been entered into in periods of high prices, followed by periods of unusually low prices, it is quite clear that the Company's shipping-system must suffer in comparison with that of the private merchant; that is the case at present. The existing contracts for the ships now in the service were most of them entered into six and seven years ago. That the Company can engage ships, if they act solely as merchants, as cheaply as individuals, is evinced in the fact, that when under the authority which that Act gives them they have taken up ships for only one voyage, they have got them quite as cheap as a merchant could. The difference in the rate of freight between the average period, when the Company made the contracts for large ships now in the service and the present time, cannot be less than 18 or 20 per cent.

4373. Do you mean to state, that if it were not for the contract the East India Company would freight to India as cheap as a private trader?—If the Company were unfettered by law, and were not compelled to make their ships applicable to political services, I have no doubt that they would engage them upon as good terms as individuals.

4374. When it has happened that there has been a great rise in price instead of a depression, did they make an allowance to the contractors?—That was done by a special Act of Parliament; and I believe the late Mr. Canning, who carried that bill through, took occasion distinctly to guard against its being construed into any thing like a precedent.

4375. In the early part of your evidence you alluded to the assistance rendered to the Indian territory by the China-trade, are you aware that it has been given in evidence before this Committee, that after paying the interest on the bond-debt, and paying the dividend to the proprietor, that trade has been a loss to the Company instead of a profit?—I have had an opportunity of examining the statements delivered in to this Committee by Mr. Rickards, with a view of showing that the profits of the tea-trade have not been sufficient to meet the charge of the interest upon the Company's bond-debt, and the dividends to the proprietors; and I am prepared now to prove to the Committee that Mr. Rickards's statements involve errors and omissions, which, when corrected, leave a credit to the account of 956,361 *l.* for the first of his statements, being that for 1820–21; of 1,127,696 *l.* for the second of his statements, being that for 1814–15; of 659,167 *l.* for the third of his statements, being that for 1827–28; and of 873,174 *l.* for the fourth of his statements, being that of an average of years since 1814–15. These errors are caused by an excessive charge for wastage; by including the India as well as the China freight; by including as charges several items already included in the invoice amount, by considering the interest on the Company's own capital as an actual outgoing; and by considering all the sea-insurance as an outgoing; whereas the Company being their own insurers have themselves, after charging insurance, the profit of that account. If the Committee wish it, I am prepared with those four statements of Mr. Rickards's, together with those statements as I have ventured to correct them, and will, if desired, deliver these statements in, one opposed to the other, as a part of my evidence.

[*The witness delivered in the same, which are as follows:*]

MR. RICKARDS'S FIRST STATEMENT.

PROFIT AND LOSS, CHINA TRADE.

Page 270 - 3435.

	£.		£.
Cost of teas, as per No. 32 of Papers relative to the India and China Trade, 4th June 1829; 28,545,960 lbs. (year 1820–21) -	1,874,840	Sale-amount of tea sold in 1821–22, as per No. 33 of Papers of 4th June 1829; 25,492,001 lbs. - - - - -	3,566,642
Freight and demurrage for the year 1820–21, as per No. 31 - - - - -	796,540		
Charges in China and England, as per No. 6 of Accounts relating to Tea Trade, &c. of the East India Company, 14th May 1824:			
Salaries, emoluments, &c. 1820–21 £. 95,653			
Expenses in China - - - 54,735			
Do. - in England - - 173,520			
Interest - - - - - 236,287			
Insurance - - - - 58,654			
	618,849		
Interest on bonds, 1820–21 - - -	162,938	Deficiency, after paying interest on bond-debts and dividends, both which are, by the Act 53 Geo. 3, s. 27, chargeable on commercial profits - - - -	518,776
Dividends on stock - - - - -	632,251		
£.	4,085,418	£.	4,085,418

MR. RICKARDS'S SECOND STATEMENT, (No. 1.—29th March 1830.

PROFIT AND LOSS ON THE CHINA TRADE.

Page 312 - 3764.

Imports - - - - - - - 1814–15.
Sales - - - - - - - 1815–16.

	£.		£.
Cost of 26,195,144 lbs. of tea exported by the East India Company from Canton to England in 1814–15, as per No. 32 of Papers relating to the Trade with India and China, 4th June 1829, 26,195,144 lbs. -	1,743,081	Sale amount of 26,234,244 lbs. of tea in 1815–16, as per No. 33 of Papers relating to the Trade with India and China, 4th June 1829 - - - - - - -	4,102,668
Freight and demurrage, as per No. 31 - -	1,680,682		
Charges in China and England, as before -	618,849		
£.	4,042,612		
Profit - - - - - - -	60,056		
£.	4,102,668		
Interest on home bond-debt - - -	235,967	Profit brought down - - £.	60,056
Dividends on stock - - - - -	629,902	Deficiency - - - -	805,813
£.	865,869	£.	865,869

MR. RICKARDS'S FIRST STATEMENT,

As corrected by Mr. Melvill.

Cost of teas as per No. 32, viz. 28,545,960 lbs.			£. 1,874,840	Sale of the quantity, per contra, viz. 27,975,041 lbs. (sale-weight)	£. 3,914,049
Freight and demurrage			536,740		
Charges: Canton Salaries	£. 82,114			To be re-credited as above explained:	
D° England	173,520			Amount of interest earned on the Company's own capital	£. 236,287	
Interest	236,287			Amount saved by them in the mode of effecting their insurance	44,593	
Insurance	58,654					280,880
		550,575			
Interest on the bond-debt		162,938			
Dividends on stock		632,251			
		3,757,344			
Surplus		437,585			
	£.	4,194,929		£.	4,194,929

Surplus	£. 437,585
Instead of a deficiency of	518,776
Difference	£. 956,361

MR. RICKARDS'S SECOND STATEMENT, (No. 1.)

As corrected by Mr. Melvill.

Cost, as per No. 32, viz. 26,195,144 lbs.			£. 1,743,081	Sale of the quantity, per contra, viz. 25,671,241 lbs. (sale-weight)	£. 4,014,622
Freight and demurrage, as per corrected statement upon that quantity			814,094	To be re-credited as before explained:	
Charges: Canton Salaries	£. 82,114			Amount of interest earned on the Company's own capital	£. 236,287	
D° England	173,520			Amount saved by them in the mode of effecting their insurance	44,593	
Interest	236,287					280,880
Insurance	58,654					
		550,575			
		3,107,750			
Profit		1,187,752			
	£.	4,295,502		£.	4,295,502
Interest on home bond-debt, as per No. 21, of Papers, February 1830, year 1815–16		£. 235,967			
Dividends ditto		629,902			
		865,869			
Surplus		321,883			
	£.	1,187,752	Profit brought down	£.	1,187,752

Surplus	£. 321,883
Instead of a deficiency of	805,813
Difference	£. 1,127,696

MR. RICKARDS'S THIRD STATEMENT, (No. 2.)

PROFIT AND LOSS, CHINA TRADE.

Page 313 - 3764.

Imports - - - - 1827–28.

Sales - - - - 1828–29.

	£		£.
Cost in 1827–28 of 31,593,176 lbs. exported from Canton, as per No. 32 of Papers relating to the trade with India and China, 4th June 1829 - - - - - -	1,981,419	Sale-amount of 30,269,508 lbs. of tea in 1828–29, as per No. 41 of Papers relating to the trade of India and China, February 1830, being a quantity (with the allowance of 5 per cent for wastage) equal to that purchased in 1827–28 -	3,527,057
Freight and demurrage, as per No. 31 of ditto - - - - - - - -	783,759		
Charges in China and England, as before -	618,849		
	3,384,027		
Profit - -	143,030		
£.	3,527,057		
Interest on home bond-debt for 1828–29, as per No. 21 of Papers, February 1830 -	158,124	Profit brought down - - - -	143,030
		Deficiency - - - - - -	644,165
Dividends on stock, per ditto - - -	629,071		
£.	787,195	£.	787,195

MR. RICKARD'S THIRD STATEMENT, (No. 2.)

As corrected by Mr. Melvill.

Cost in 1827–28 of 31,593,176 lbs of tea, exported from Canton, as per No. 32 of Papers relating to the trade with India and China, 4th June 1829		£. 1,981,419	Sale of the quantity per contra, viz. Sale-weight, 30,961,313 lbs.		£. 3,604,177
Freight and demurrage, as per corrected statement upon that quantity		550,866	To be credited as before explained.		
Charges in China and England, as corrected, viz.			Amount of interest earned on the Company's own capital	£. 236,287	
Canton Salaries	£. 82,114		Amount saved by them in the mode of effecting their insurance	44,593	
England D°	173,520				280,880
Interest	236,287				
Insurance	58,654				
		550,575			
		3,082,860			
Profit		802,197			
	£.	3,885,057		£.	3,885,057

Profit brought down		£. 802,197
Interest on home bond-debt	£. 158,124	
Dividends on stock	629,071	
		787,195
Surplus		15,002
Instead of a deficiency of		644,165
Difference		£. 659,167

Page 313, No. 3.

Mr. RICKARDS's Fourth Statement (No. 3 in the Evidence of 29th March 1830), to show the apparent result of the Company's Tea Trade, calculated on an average of the 14 years contained in the Tables, No. 31, 32 and 33, of "Papers relating to the Trade with India and China," 4th June 1829, or from 1814–15 to 1827–28 inclusive; and taking the charges in China and England at the same amount as in 1820–21.

	£.		£.
Cost of 28,129,230 lbs. of tea, being the average of the quantities exported from Canton to England for 14 years, as per No. 32 of the Papers referred to - -	1,819,788	Sale amount of 25,870,764 lbs. of tea, being the average of 14 years sales, as per Table, No. 33 of the Papers, &c. above referred to - - - - - - - -	3,583,484
Average of the commercial freight and demurrage for the same period, as per No. 31 of the same Papers - - - - -	867,654		
Charges in China and in England, as before	618,849		
	3,306,291		
Profit - - -	277,193		
	3,583,484		
Interest on the home bond-debt, average of 15 years, as per No. 21 of "Papers relating to the Finances of India," February 1830 -	177,352	Profit brought down - - - £.	277,193
Dividends on stock, average of ditto, as per ditto - - - - - - - - -	630,572	Deficiency - - - - - -	530,731
£.	807,924	£.	807,924

4376. In those computations have you included interest on the bond-debt?—Yes; but I would avail myself of this opportunity to state, that it seems to be quite a mistake on the part of Mr. Rickards to suppose that the interest upon the bonds is by law chargeable upon the Company's commercial profits. It is by law, together with their ordinary outgoings, chargeable upon the Company's home-funds; but the question of whether it is chargeable upon the commerce, or upon the territory of the Company, has never yet been definitively settled. So far back as the year 1783 the Company, in a petition to the House of Commons, stated as follows: "The bond-debt which your petitioners now owe in a great measure arose from their military expenses in India, or has been necessarily continued on that account; independently of these expenses, your petitioners ordinary mercantile profits would have enabled them to have extinguished the whole of their bond-debt long before their territories were acquired." I believe the Company consider that this reasoning has gained force from subsequent events; and if the Committee will refer to the 51 Geo. 3. c. 64, they will see that Parliament has given some recognition of a political character to this debt.

4377. You have stated in your evidence, that in the official documents as to the quantities of teas sold in the year 1828–29 there is a great discrepancy; can you explain those variations that appear to exist?—Those discrepancies entirely arise from the accounts which were called for differing in their titles, and in the periods to which they refer. The first of the accounts, No. 33, to which Mr. Rickards refers (page 313) relates to the Company's tea only, and the period in that account is from March to March, which was the official year before 1814–15. The second account, No. 38, includes, as its title imports, the teas of the commanders and officers of the Company's ships. The third account, No. 41, embraces the period from May to May, which is the present official year.

4378. You have stated that these accounts were called for; by whom were they called for?—By the Board of Commissioners for the Affairs of India, and subsequently laid before Parliament by the King's command.

4379. Then

MR. RICKARDS'S FOURTH STATEMENT,

as corrected by Mr. Melvill.

	£.		£.
Cost of 28,129,230 lbs. of tea, exported from Canton to England per annum, upon an average of 14 years, 1814–15 to 1827–28, as per Papers No. 32	1,819,788	Sale of the quantity per contra, viz. 27,566,646 lbs. sale-weight	3,818,389
Freight and demurrage, as per corrected statement, upon that quantity	578,539	To be re-credited, as before explained:	
Charges:		Amount of interest earned on the Company's own capital £. 236,287	
Salaries, Canton £. 82,114		Amount saved by them in the mode of effecting their insurance 44,593	280,880
D° England 173,520			
Interest 236,287			
Insurance 58,654			
	550,575		
	2,948,902		
Profit	1,150,367		
£.	4,099,269	£.	4,099,269

Profit brought down		£. 1,150,367
Interest on the home bond-debt	£. 177,352	
Dividends on stock	630,572	
		807,924
Surplus		342,443
Instead of a deficiency of		530,731
Difference of		£. 873,174

4379. Then you mean to state, that if the words of the order had been given the same for each of the accounts called for, those variations would not have happened?—There could have been no discrepancy.

4380. What are the titles of the Acts which you consider oblige the Company to prepare the ships for trade and war?—The 39th Geo. 3, c. 89, and the 58th of Geo. 3, c. 83.

4381. By what authority are the ships going to North America exempted from that?—There is a special clause which authorizes ships to be taken up either for an unforeseen exigency, or for one voyage only, by private contract.

4382. Then it is under that provision that the tea-trade to North America is carried on?—I apprehend it is.

4383. In speaking of the facility which the Company have of freighting ships as low as private individuals, does not the amount of freight which the Company pay depend upon the equipments, the amount of stores, and number of men which they in their tenders require the owners to produce?—No doubt it does; but the equipment must necessarily be governed by that condition in the law which requires that when ships are built for the service they shall be applicable to warfare.

4384. Is there any thing in the Act which requires the Company to continue a war equipment during peace the same as during war?—The Company do not retain a war equipment in peace. I apprehend that the condition of taking up the ships for war renders the price higher at the period when they are engaged; that a ship applicable to war would be tendered at a higher price than a ship that is not so applicable.

4385. When ships are taken up for one voyage, is not it left at the discretion of the Court of Directors?—Undoubtedly.

4386. Is there any reason why ships taken up for one voyage by the Company should not be as cheap as those that private individuals can take up?—I apprehend not, unless it should happen, as it frequently does, that a ship for one voyage is taken up for the purpose of conveying troops, as well as of bringing home goods

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from India, and that double service renders necessary those conditions which involve a higher rate of freight.

4387. For a direct voyage to China you are not aware of any conditions that require it?—No.

4388. Are you not aware that ships in time of peace are not equipped as they were in time of war?—Certainly not; but the ships have constantly in peace a political service to perform in the conveyance of troops and stores.

4389. Do the Company ever send out troops in ships hired for one voyage, and not in the regular service?—Yes, they do occasionally.

4390. Are you able to state what is the additional freight paid by the Company for such ships that carry troops?—I am not able to state what it is.

4391. Are you aware whether the troops are carried with equal convenience and safety in the ships hired for one voyage as in the larger ships?—I should say not; and the reason why I say so is, that when the Company in some former periods have made use of a small ship instead of a large one for the conveyance of troops, complaints upon that ground have been made to the Court from the Horse Guards. The general impression upon my mind is, that the accommodation of the Company's larger ships has been preferred and desired.

4392. You are aware that there is in the Company's warehouses and in transit always two years consumption of tea; do you conceive that to be required by the Act of Parliament in which this clause is to be found: "That the said United Company shall from time to time send orders for the purchase of such quantities of tea, and provide sufficient ships to import the same, as being added to the stock in their warehouses, and to the quantities ordered and not arrived, shall amount to a sufficient supply for the keeping a stock at least equal to one year's consumption, according to the sales of the last preceding year, always beforehand:" in your opinion does the construction of that Act of Parliament require two years stock of tea to be kept always on hand?—The Company have construed that law to mean that it requires that they should have always one year's consumption in stock in London. They must, of course, have more than that in a part of the year, because the ships arrive at a particular period; so that when the ships have discharged, the stock must amount to more than one year's consumption, or it would be materially less at the end of the year.

Lunæ, 3° die Maij, 1830.

Thomas Gore Lloyd, Esq. again called in; and Examined.

T. Gore Lloyd, Esq.

May 1830.

4393. YOUR signature appears to a paper given in to the Committee, being an account of profit and loss upon the trade of the East India Company between Europe and China for the last ten years; what is included in what you term the prime cost, calculated at 6 *s.* 8 *d.* the tale?—That prime cost is the invoice-amount of those teas.

4394. What is included in the invoice-amount of those teas in the charges of China?—There are what they call the proportional charges; they amount to about three per cent.

4395. Is the prime cost stated in that account the same as the cost in China, as stated in the amended estimate (No. 2.)?—It is not.

4396. What is the difference?—The difference is, that the prime cost in the amended statement of the computation of the up-set price of tea contains a calculation for the rupees of the supplies furnished to China from India at 5 *s.* 2 *d.* per ounce according to the mint-price of silver, making the rupee about 2 *s.* 0 $\frac{1}{2}$ *d.*

4397. Does that make the prime cost, as stated in your paper, more or less?—The prime cost is less in the computation of the up-set price of tea, because the prime cost in the account of profit and loss calculates the rupee at what are termed the Board's rates, that is at 2 *s.* 3 *d.* $\frac{84}{100}$.

4398. Is there any other difference in the calculation?—There is another difference, not in the prime cost, but in the charges; the prime cost in the amended paper includes interest and insurance upon the outward consignments. In the paper of profit and loss, that interest and insurance is not included, inasmuch as I hold interest of money to be a profit, and we charge the actual loss to the Company in the profit-and-loss account, and not a rate of insurance.

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4399. In this paper which is given in of profit and loss, no charge, such as is made in your statement for the interest from the arrival of the teas in England to the estimated realization of the same amount, eighteen months, and no insurance at three per cent upon the teas home-charged in your statement, are included; do you not consider that that should go into the account in order to exhibit the amount of profit and loss?—I do not; upon this principle, that interest itself is held to be a profit, and the actual losses are included in that account, instead of a rate of insurance.

4400. How is it possible that this can give a correct estimate of the net profit, when a sum so large as from 250,000 *l.* to 260,000 *l.* which is the rate of interest charged in other accounts upon the investment in teas, and a sum as large as 50,000 *l.* to 60,000 *l.* charged for insurance, are entirely omitted?—Because the Company trade upon their own capital, and whatever interest they make upon that capital is a profit; if they were to charge it in the first instance they would have to re-credit it.

4401. Then you consider that interest is not a proper charge at all to go into the cost of the tea?—It clearly forms an item in the cost of the tea when put up under the Commutation Act, but not in the profit-and-loss accounts, for the reasons I have given.

4402. Are you acquainted with a document which was given in to the House of Commons in 1824, in which the charges upon the tea were stated under different heads, say the heads of salaries, emoluments, and expenses, in any of the expenses in England, and the interest and the insurance?—I am.

4403. If those were not charges proper to be taken into the calculation why were they put in at that time?—Because the charges included in that paper were those which it was presumed the Company had a right to charge under the Commutation Act.

4404. Is it to be understood that those charges, made agreeably to what the Commutation Act sanctioned, were not actually expenses incurred?—The interest, being that upon the Company's own capital was not an actual outgoing, and the Company being their own insurers had the profit as underwriters.

4405. Do you not consider that the Company is exposed to those charges as any other commercial dealer would be?—I conceive that the Company traded upon their own capital, and that whatever interest they made upon that capital they had a right to put among their profits.

4406. Do you know that it is the custom of merchants in casting up their profit and loss at the end of the year to charge it with interest?—Yes, but the interest of that capital would go to pay their own dividends.

4407. The question is not on the dividends, but on the profits; and the account moved for was one of net profit; how can it be an account of net profit when interest is not deducted?—I conceive, notwithstanding, that the interest on capital is part of their profit, as they charge themselves with interest of all money; all interest of money on their own capital I consider as a profit.

4408. Supposing the Company were to withdraw their capital from the trade in which they were engaged, and to employ it in some other way, they would be receiving the fair rate of interest on that capital so employed?—I apprehend they would.

4409. If then the amount of interest which the Company do not charge, but which they would make by the employment of their capital in any other way, and the amount of insurance, which is a risk incurred by them which they might also make by underwriting other risks, were deducted from the sum of the net profit to the Company, would it not reduce that profit most materially to the sum of about 300,000 *l.* or 250,000 *l*, instead of 763,000 *l.*?—I apprehend there is a difference between profit as interest for the use of money, and mercantile profit after charging the account with interest, and the Company are their own underwriters, and they have a profit of insurance.

4410. Supposing the Company were to render an account of profits, as any other merchant would do, charging the accounts with interest for the capital employed, and charging the account with premium of insurance which would be paid if they were not their own underwriters, would you not reduce that by so much as those two sums would amount to, which on these accounts is about 350,000 *l.*; would not that reduce the account of net profit they have given in here so much?—If they were to charge their capital with interest, and if they were to charge insurance,

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certainly it would reduce it; but on the other hand they would receive interest for the use of their own capital, and their profit as underwriters.

4411. So that the net profit as given in in this account is not the net profit, it is the profit they make of interest upon the capital employed, and the premium of insurance which they make, being their own underwriters?—The net profit includes those items.

4412. So that, in fact, to any mercantile house this account of net profit given in by the Company is a fallacious one?—I am not prepared to say that; the most cursory examination of the account will show the column containing actual losses, instead of a rate for insurance.

4413. You state that this account is not charged with insurance, because in making it up it is only debited for the loss that may have accrued to stand against the premium with which the Company, in another account, debit themselves; there appears no column here for any loss; there has been no loss probably?—There is a column, I believe, for losses; "losses at sea on consignments between Europe and China."

4414. Where is the balance of that sum then carried?—The Company debit themselves only with their actual losses.

4415. In this same account there appears a column of charges on merchandise calculated at five per cent on the sale-amount of the goods; on what data do you take that five per cent?—That five per cent has been a rate that we have used for years, ever since I can remember; and by calculations at various times it was found to be as nearly accurate as may be.

4416. You have made out a statement in your own corrected examination upon the same data, in which you charge the expenses, landing, housing, warehouse-room, carting, preparing for sale, and all charges of merchandise, on the same data? —They are made out on a more accurate one.

4417. Are you not aware that instead of giving five per cent upon the cost of the tea, the return makes it nine and a half, and ten per cent?—I have never made a calculation.

4418.—If it does it must be clear that the calculation of five per cent, as given in in the first account, is perfectly incorrect?—I believe not, inasmuch as that charge of merchandise is not upon the sale-price; the charge of five per cent is upon the sale-price, the other is upon the cost-price.

4419. The charge upon the sale price is five per cent without the duty? —It is.

4420. That is not on the upset price?—No.

4421. Do you not keep a separate account of your insurance, deducting the risk from the premium you set aside?—We do not keep an account of that fact in our ledger for the purpose of ascertaining the balance of that insurance-account, but have never carried it forward as a separate article of profit and loss.

4422. Are you able to ascertain by that the per-centage at which the risk was taken?—By that account we should show how much we have gained by under-writing.

4423. Have you on the same principle the same account of charges, so as to show what is the profit you gain by setting aside five per cent in the manner you have done?—I do not apprehend we gain any thing by that; we can make up such an account.

4424. You were understood to say you had a more accurate mode?—Yes, as it respects the upset prices.

4425. Can you furnish the Committee with what it was the object of the person who moved for it to get, a mercantile account in the way in which merchants consider such an account, of the profit and loss of the East India Company's tea-trade with China for one year, taking into account interest upon the capital employed as calculated in forming your upset price, taking insurance as calculated in forming your upset price, and placing the positive charges paid for warehousing, housing, carting, and other expenses?—If the Committee will be pleased to direct such an account I have no doubt we shall be able to furnish it.

4426. In the annual commercial account there is an item stating the charges general; can you furnish the Committee with the particular items which compose that sum, which amounts to 450,000 *l.*?—Yes, we can for any year.

Jovis, 6° die Maij, 1830.

Captain *John Mackie*, called in; and Examined.

Captain *John Mackie.*
6 May 1830.

4427. YOU have resided in India several years?—I have for 10 years.

4428. From what period?—From 1820 till the latter end of 1829.

4429. Did you command a ship in the China trade?—I commanded a Spanish vessel on the coast of China.

4430. What was this vessel engaged in?—In the opium trade.

4431. She was sailing under Spanish colours?—She was.

4432. What ports of China have you visited?—I visited the port of Amoy, and all the ports between that and Canton.

4433. Were you entirely engaged in the opium trade?—Entirely; I carried also a little saltpetre.

4434. What was the name of the ship?—The St. Sebastian.

4435. Whom was she owned by?—Spaniards.

4436. Did any part of the cargo belong to British merchants?—Entirely British.

4437. Can you state any other ports in China that you touched at besides Amoy?—Not any other principal ports; I touched at all the ports between Amoy and Canton.

4438. You lay off some ports, do not you?—I lay off the port called the Cape of Good Hope, and the Island of Namo.

4439. At what distance is the Cape of Good Hope from Canton?—About 300 miles to the north-east.

4440. Did you find good shelter for your ship?—Excellent; all those harbours are as safe as the port of Canton itself.

4441. Was the trade you carried on authorized by the laws of China?—I understood it was not authorized, but it was done quite openly.

4442. In the same way that the opium trade is carried on at Canton?—The very same.

4443. Have you ever experienced any difficulty in carrying on the trade, although not formally sanctioned by the Chinese laws?—Never the least.

4444. Who were the parties with whom your trade was carried on?—The Chinese merchants.

4445. Resident at any particular points?—Some of them from the city of Amoy, some from Taho, and Namo, and some from inland towns.

4446. Are any of those places in the province of Fokien?—Amoy is in the province of Fokien?—I am not aware whether the island of Namo is in the province of Fokien or not.

4447. Have you got better prices for those articles than could be got at Canton?—Yes.

4448. What was the difference of the price?—About 100 dollars upon a chest of opium, or 125, and sometimes 150, and sometimes higher.

4449. What advance was there upon the price of saltpetre?—About three dollars a pecul.

4450. What might be the total value of saltpetre and opium that you disposed of upon any one voyage?—In my second voyage I brought back treasure to Lintin to the amount of 132,000 Spanish dollars, partly in dollars, and partly in Sycee silver.

4451. What did you bring back the first voyage?—About 80,000 dollars; in dollars and Sycee silver.

4452. How long did this second voyage last from your leaving to your returning to Lintin?—Eight weeks.

4453. Where did you dispose of this cargo?—At the Cape of Good Hope.

4454. Was there safe anchorage there?—Quite safe.

Captain *John Mackie.*

6 May 1830.

4455. Is that near any town?—Yes, it is within 15 miles of a very large city, the city of Tyho.

4456. From the time of your arrival, how long were you detained before you disposed of the whole of your cargo?—From 15 to 20 days.

4457. What did you receive for your cargo?—Sycee silver and dollars entirely.

4458. Why did you make your returns in bullion only?—I was particularly desired by the agents of the brig to take nothing else.

4459. Could you have had returns in the produce of the country?—I could have had returns in any produce of the provinces, such as sugar, tea, cassia, tortoise-shell, nankeens, or any thing that could be had.

4460. You would have had no difficulty in completing your cargo of those articles?—Not the least.

4461. In what manner is the produce of the north-eastern provinces sent to Canton?—I presume it is principally sent by sea, from the number of large junks always upon the coast.

4462. Have you seen teas sent by sea?—Yes; I have been on board of two junks entirely loaded with tea.

4463. What was the size of them?—They could not have been less than 200 tons.

4464. From whence did they come?—They came from Amoy, and they were bound to Canton.

4465. Did you board those junks?—I boarded both of them and sent letters by them to Canton.

4466. Were those letters regularly received?—They were received in due course.

4467. Do you think you could have loaded your vessel with teas of good quality?—I have no doubt I could, of the very best quality. I have no doubt I could have had any sort of Chinese produce that I wished,

4468. Had you any conversation with the captains or the supercargoes of the junks?—Yes; one of the merchants gave me an invitation to wait upon him at his house at Canton.

4469. Do you think you could have disposed of any other article besides those you sold at the places you visited?—Yes; I think that woollens might have been disposed of, and perhaps a small quantity of iron, a few watches, and different kinds of things.

4470. What species of woollens do you think you could have disposed of?—Principally long ells and fine broad cloth; blankets and camlets also would have sold very well; they are in ready demand all along the coast of China.

4471. Were there any duties paid to the government upon those cargoes?—I never paid any duties; but I understood that upon all opium that is taken away from the ships the inferior officers of government get about 20 dollars for every chest; the Chinese pay that themselves; the ships pay nothing.

4472. Did you ever pay any port-charges of any kind?—Never.

4473. Were you ever annoyed by the Chinese authorities?—No. I have been requested, as a favour, to shift my situation, as the principal officer was coming; and I have gone away, and come back again in one or two days.

4474. Have you ever landed when you were engaged in this trade?—Frequently; almost every day.

4475. Whenever you liked?—To any place I liked.

4476. Were you on such occasions ever annoyed, or ill treated by the authorities, or by the people?—Never; quite the contrary; I was always received in a civil way. I had invitations into their houses, and was treated with tea and sweetmeats.

4477. How far have you penetrated into the interior of the country?—Six or seven miles.

4478. Could you have gone farther if you had pleased?—Any distance I pleased.

4479. What cities or towns have you visited on such occasions?—I visited the city of Kesiak, the city of Amoy. The city of Tyho was too far distant from the ship, and I did not visit it.

4480. Is Kesiak a large town?—It is.

4481. What is the population of it?—It is impossible to tell the population; I think it is nearly as populous as Canton.

Captain *John Mackie.*

6 May 1830.

4482. Is there a harbour at Kesiak?—A fine harbour.

4483. Was that a commercial town?—It is a commercial town for junks only.

4484. Do you know what province it is in?—The province of Canton.

4485. What distance from Canton is it?—About 150 miles.

4486. Is there much foreign trade carried on in Kesiak?—I am not aware that there is any. There is a very large coasting trade.

4487. Are you of opinion that the Chinese in the places you visited are anxious for the extension of commerce?—I should conceive that they were, because I have always found the Chinese inclined to buy any thing that was at all useful, of any description.

4488. You conceive them to be any thing but an anti-commercial people?—I should consider them to be quite otherwise.

4489. Do you conceive that they have any antipathy to strangers?—I should conceive quite otherwise. In the northern provinces especially I was most politely received, and my people were equally the same.

4490. Being under the Spanish flag, could you have carried on a legitimate trade at the port of Amoy?—Yes; the Spaniards have had the privilege, but latterly they have not sent any ships there.

4491. Perhaps a legitimate trade was not your object?—Not at all; we were trading in prohibited articles.

4492. Do you imagine that the contraband trade is more profitable than the authorized trade?—I have never been in the authorized trade, and therefore I cannot state that.

4493. Did any other British ships under the British flag prosecute the same trade that you did at that time?—Yes, there was an English ship, the Merope, belonging to Calcutta, the Veletta, the Eugenia, the Jamecena, and the Dhaule schooner.

4494. What were those vessels?—All English vessels belonging to the port of Calcutta.

4495. Where were they trading to?—To Formosa, and the port of Nimpo, which is considerably to the north.

4496. Is not that in the provice of Kiangnan?—I believe it is.

4497. Did those ships go to Amoy?—One of them I think did, but they did nothing; they knew that nothing could be done by the merchants; the Merope touched off Amoy, but it did not go in, because she could not trade in opium.

4498. Had you any communication with the commanders of those vessels?—Frequently, although we had different interests, all except the Merope.

4499. Was your interest the same with the Merope?—She had an agent of ours.

4500. Did you understand from the commanders of those vessels that they carried on the trade as easily as you did?—With the same facilities; although I believe I was rather more fortunate than they were, being engaged in the trade earlier.

4501. At the ports you have named, do you know whether the import and export duties are paid to the government?—I am not aware of the duties, I never heard the duties mentioned.

4502. Did the Americans ever engage in this trade?—American vessels have gone to the coast, but I believe on British account.

4503. Did the British vessels you have named visit any ports besides those you have mentioned?—The Merope traded to the port of Chinchoo and the island of Formosa.

4504. Did the Merope go to Nimpo and the Cape of Good Hope?—Yes; she touched at every port on that coast.

4505. Which do you conceive is the best station for carrying on that trade?—The best station I ever found was between the island of Namo and the Cape of Good Hope.

4506. Why do you conceive that to be better?—Being the centre between two very large towns.

4507. Have you ever been off the province of Fokien?—Yes.

4508. What harbour did you go into there?—I went into one of the ports of Chinchoo.

4509. What was the species of cultivation you saw when you landed there?—The only species of cultivation I have seen was rice and sugar.

Captain *John Mackie.*

6 May 1830.

4510. You did not go into the tea country?—No; I have never seen any tea: I was in the neighbourhood of it, and I understood it was within a short distance of where I was.

4511. Does not the tea generally grow in the hilly districts?—All along the coast is a mountainous district.

4512. What did your crew consist of?—Of all sorts; English, natives of India, and natives of the Phillippines.

4513. What number of Englishmen had you?—I had sometimes from 10 to 20.

4514. What was the number of your crew?—Forty.

4515. Did those Englishmen land?—Yes, frequently.

4516. They had intercourse with the natives?—Yes.

4517. Did you ever hear of any disturbance between them and the natives?—Never the least disturbance.

4518. Were the crews generally well received by the natives?—Equally as well as I was myself; they were allowed to walk about the fields, and to go into the houses.

4519. Were any British seamen on board the other ships?—Yes; the Americans had all American seamen; the Merope had 10 or 12 English seamen.

4520. Do you know of the ships you have mentioned having British seamen on board?—It is most likely that the other ships had at least six English seamen on board as sea-cunnies.

4521. Did you ever understand that the commanders of those vessels experienced any inconvenience from that circumstance?—I never experienced the least inconvenience; nor did I understand that any was experienced by the others.

4522. Did you find the coast of China generally in a state of good military defence?—I should say quite the contrary, because the greatest number of troops that ever I have seen was in the train of Mandarins, to the amount of about 500.

4523. How were those armed?—They were dressed in red calico jackets with a large bamboo hat on, and with large wooden shoes, some with bows and arrows, and some with matchlocks, and some with spears.

4524. Supposing you had had a serjeant's party of English troops, what would have been the effect upon the Chinese soldiers?—They would have run away.

4525. Did you ever go into their forts?—Frequently.

4526. In what state were they?—In a state of dilapidation.

4527. What was the state of the guns?—The guns were all dangerous to fire, being honeycombed; and being laid between two pieces of wood they could only be fired in a straight direction.

4528. Were the fortifications in a pretty good state?—No, quite ruinous; there were about 40 or 50 men in each of the fortifications.

4529. What was the reason you had so many men in a brig of 200 tons only?—The reason was that we had to beat up against the monsoon, and that we had a valuable cargo on board.

4530. Did not you find that the number was too large?—I reduced the number afterwards to 30.

4531. Had you any Spaniards on board?—I had one Spaniard to represent the flag, to be captain or supercargo.

4532. Did you observe any British manufactures in the places you visited?—Yes; I frequently saw the Chinese wearing them, such as camlets, cloths, long ells, and some English blankets, English watches, and English spy-glasses.

4533. Do not the Chinese of respectability generally wear two watches?—That is always the case.

4534. Are not those watches almost entirely of English manufacture?—Entirely English and French.

4535. Which predominate, the English or French?—I believe the English predominate, because no makers in Canton can repair the French.

4536. Do you know why they wear two generally?—Because they say if one goes to sleep the other is awake.

4537. How did you find the climate from the month of November to the month of March?—Extremely cold; the thermometer ranged from 45 to 60.

4538. Would there be a demand for English blankets?—I should conceive there would be a demand for English blankets.

4539. Are they now generally purchased by those that can afford them?—By every one that can afford them.

4540. What

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4540. What description of native woollen manufacture is there?—The only native woollen manufacture I saw is in imitation of cashmere shawls. I think it is manufactured of goats hair, it is a fine sort of white flannel.

4541. Is it of a high price?—It is not within the reach of the poor people at all.

4542. What is the common dress of the poor people?—Blue cottons.

4543. Do you know where those cottons are manufactured?—In China.

4544. Do you know in what part?—They are manufactured in all the provinces. I have seen them manufactured in every village I have gone into.

4545. Did you ever observe what sort of machinery they had for the manufacture of those cottons?—A very rude loom, quite in a very old fashion.

4546. Did you ever compare the price of cotton so manufactured in China with the price of English cotton?—No, I never did; it is much dearer than English cotton, because English cottons sell in China at very fair prices, and they dye English long cloths afterwards as a substitute for their cottons, and they are much cheaper.

4547. Do you know the proportion of cost?—No.

4548. Did you see them spinning?—Yes.

4549. How is the cotton spun?—The women spin with their hands.

4550. And there is no sort of machinery, except a very rude loom, applied to the Chinese manufacture?—None that I have seen.

4551. Were those cottons that they dye Indian or English cottons?—English.

4552. Do the natives prefer their own, being dearer?—Their own cottons were better; but a cheap article is always a great object with the Chinese, even if it should not wear so well.

4553. Supposing there was a great trade carried on between England and China, do you not imagine that the cheap manufacture of England would to a considerable extent supplant the dear manufacture of China?—I have no doubt it would entirely.

4554. Is the trade you have described as being carried on when you were there still carried on?—It is.

4555. In what year was this?—In 1823 and 1824. Afterwards I lay as a depôt-ship at Lintin.

4556. How long were you altogether in China?—Four years and a half.

4557. How long is it since the Spaniards have given up the trade to the port of Amoy?—About 30 years. As the junks go over now from Amoy to Manilla with the same goods, they can purchase them at a cheaper rate than they could get them at Amoy.

4558. What was the last year you were in China?—I was there five months in 1828, at Macao and Canton.

4559. In what year were the British ships you have mentioned there?—They were there the same year as myself, and I left some of them lying there as depôt-ships at Lintin; they are lying there now as depôt-ships.

4560. Do you know of any ships having been there last year?—No, I do not know of any ship; there was one vessel went up in 1828 when I was there, and delivered a cargo upon the coast.

4561. What are the depôt-ships?—They are ships that lie outside of the islands at Macao, to receive opium, or any other goods that are wished to be deposited on board of them.

4562. Then you have no knowledge of any lawful trade carried on there at all?—Not the least.

4563. Were the others obliged to move sometimes as well as you?—Yes; we moved as a favour to the Mandarins; the Mandarins come down once or twice a year, and send a person to warn you to shift yourselves.

4564. You are obliged to shift your station?—We were not obliged to do it, but it was to favour them, that they might make a report that it was all clear.

4565. What number of ships do you remember there at any one time?—I have seen as many as 20 ships at one time.

4566. How many European ships?—I have seen 10 European ships, and a considerable number of American ships.

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4567. Did those ships trade to the Port of Amoy?—No; there has been no trade done at the Port of Amoy; they traded to the island of Formosa and Nimpo, and about the Cape of Good Hope; some of those merchants went to Amoy and different parts.

4568. In fact they were coast-smugglers?—They were.

4569. Under what flags were they?—The English flag; all except the Americans, and the vessel I was in command of, which was a Spanish flag.

4570. Were there any Portuguese?—There was sometimes a Portuguese vessel.

4571. You were understood to say that you did not find it necessary to establish any strict regulatious with respect to intercourse with the shore than at other places?—Not any; I allowed my crew to go on shore at any time they pleased.

4572. Have you ever known any inconvenience from it?—Not any.

4573. Have you known any to happen with any other ship?—Not any.

4574. Was it the general practice of the ships?—It was; there was never the least disturbance.

4575. Did you see the 10 or 12 British seamen that you spoke of on board the Merope?—Yes; I was on board of her every time she came on the coast.

4576. Who commanded that ship?—Captain Perkins, a lieutenant of the navy.

4577. Do not you know that the country ships generally have sea-cunnies, that are natives of India?—Yes; but an opium ship being of considerable value, it is necessary to have an efficient crew on board; and we prefer to have a few Englishmen, as being steady men, in preference to the natives of India; and the Merope, when she was on the coast, had a very valuable cargo on board of her.

4578. Do you remember the name of any of the depôt-ships you have mentioned?—Yes, I remember them all.

4579. In your license was there any limitation as to the ports to which you were to go?—I was quite independent of the Company.

4580. Where did you get your license?—My owner was consul for the king of Spain at Canton, and he gave me a license whenever I went to sea.

4581. Have you been at Manilla?—I never have.

4582. Is there much trade between Manilla and China?—A considerable trade in rice, and some China goods.

4583. Was there any other ship under Spanish colours besides yours?—None; and the vessel that I was in is sold.

4584. And there is now no trade under Spanish colours?—None.

4585. Were you not offered to carry on a legitimate trade with Amoy under the Spanish flag?—Yes; by the viceroy of Amoy.

4586. What intercourse had you with him?—He visited us on board the ship.

4587. How far were you from Amoy?—We were in the port of Amoy, right off the palace.

4588. What passed between you and the viceroy upon that occasion?—Merely compliments.

4589. In what terms did he offer you to trade with Amoy?—He had to make a reference to another superior before he could give the terms.

4590. Was that reference ever made?—We did not wait till he came.

4591. Did the viceroy know that you had opium on board?—No; it was known to the opium dealers, but not to the viceroy.

4592. How came he to offer you a legitimate trade?—Because we hoisted our colours.

4593. Did he mention the word legitimate?—He said he would give us a free trade.

4594. Do you understand the Chinese language?—I do not understand it so as to write it; I can speak it a little.

4595. Is saltpetre a prohibited article in China?—It is an article that by law is always obliged to be sold to the government, but it is principally sold to the outside dealers, who give a higher price for it.

4596. Did you converse with the viceroy?—Yes, through an interpreter.

4597. Did he use the word legitimate?—No, he offered to give us a cargo in exchange for what we might give him, money or any thing else; he said, if we wished

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wished to have a cargo, he wished to renew the intercourse on the same terms as it had been before.

4598. What cargo would he have given you?—Any thing we wished to purchase.

4599. What commodities could you have had from him?—As we had no intention of exporting any thing we made no inquiries.

4600. Is the saltpetre imported into China solely for the purpose of being converted into gunpowder?—Solely for gunpowder and fireworks; the Chinese use a great quantity of small fireworks.

4601. Is Amoy a very large town?—A very large town; there are nearly as many junks about there as about the port of Canton.

4602. Do you suppose it is as populous as the port of Canton?—It is very difficult to say as to that.

4603. Did you find the country of China through which you went populous or not?—Every part populous. When I have been lying at the Cape of Good Hope I have seen 1,000 fishing-boats going to sea in a morning; I have counted them.

4604. You had no commercial intercourse with the viceroy?—None.

4605. Did he offer you to purchase any thing you had, and did he specify the kind of cargo he was ready to give you in return?—He specified that he wished to renew intercourse upon the old establishment, and any cargo that we wished to purchase he would do it in the old way.

4606. Is there not a considerable foreign trade carried on with Amoy?—Yes, principally to Manilla and Sincapore.

4607. Did you know of any junks that went from Amoy to Sincapore?—Yes; there are a considerable number.

4608. Are they large junks?—About the size of 500 or 600 tons.

4609. What do they take to Sincapore?—A Chinese cargo consists of a variety of things; crockery-ware, coarse teas, and every thing they expect to sell.

4610. What did the junks bring back from Sincapore?—Sandal-wood and opium are the staple articles.

4611. From your experience and observation of the Chinese ports, what are the articles of European manufacture which you consider would obtain the most ready sale?—I should think woollens would be the most ready article; camlets, fine cloths, and coarse white cottons.

4612. What should you say of iron, in the shape of bars, and of hardware?—Iron in the shape of bars would sell; I do not know how hardware would sell. The Chinese would like it better in the unmanufactured state, in order that they might manufacture it as they pleased.

4613. Is iron extensively used in China?—Very extensively used.

4614. Where is it principally obtained?—I believe in the country.

4615. Do you know any thing of the cost of its production?—No; but I know that to get any iron wrought up in China will cost you as much as 12 dollars a pecul; that is what I have paid for iron from Canton.

4616. Do you know any thing of the relative cost of their own earthenware with that which might be exported of similar quality from this country?—I do not know; I think the Chinese would produce their own earthenware cheaper than it could be exported from this country.

4617. Has not it been exported from Sincapore?—Yes; I have often had crockery on board. As a depôt-ship I have often received goods, such as woollen goods, crockery-ware, glass, and Birmingham hardware, which has been sent up to the port of Canton and sold.

4618. What was the general quality of the Chinese iron that you saw?—I think it is of very inferior quality; it rusts very soon, and decays.

4619. Do you know in what part of China the manufacture is?—No.

4620. Is there much demand for leather; do they use leather much?—Yes; the opium chests are covered up with old sheepskins, and they were very fond of purchasing them.

4621. Did you sell them well?—Yes, pretty well.

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4622. ARE you an officer in the military navy of the East India Company?—I am on the retired list at present; I have been an officer in the service.

4623. How long did you reside in India?—An uninterrupted period of nearly 25 years.

4624. How long is it since you returned?—I returned from India in 1823.

4625. In what capacity did you serve in India besides that immediately connected with your official duties as an officer?—I accompanied the embassy to Synd, as surveyor in 1807 or 1808; I officiated for nine years as assistant in the surveyor-general's department, or deputy surveyor-general of India in Bengal; I was employed in all the expeditions against the European enemies of my country in India between 1798 and 1823; I commanded two ships on the expeditions to Java and the Isle of France. On the Java expedition I officiated as deputy agent-general of transports also.

4626. Were you employed with the British army in Guzzarat?—I was; I accompanied the army in Guzzerat a short time, and afterwards held a civil situation at Voorbunder, in the province of Guzzerat.

4627. How long did you hold that situation?—I only held the civil situation a few months; I begged to resign it to go on the expedition to the Isle of France.

4628. What parts of India have you visited?—I visited almost all the principal ports of India, Arabia, and Persia, the Red Sea, and the Eastern Archipelago, and the Bay of Bengal.

4629. Did not you assist in the expedition to Egypt?—I was in one of the ships which proceeded on the expedition to Egypt.

4630. Have you ever visited any of the ports of China?—No; I have merely been in the China seas cruizing.

4631. Have you ever paid any considerable attention to the commercial affairs of the East India Company?—I have paid some attention to it, in consequence of having determined some years ago upon writing a work descriptive of the different branches of the East India Company's service. I was led to project such a work from observations I had occasion to make in the course of my service; however, I have since relinquished the intention; but that led me to consider it more maturely than I otherwise should have done, as it formed no portion of my professional pursuits.

4632. Do you conceive that there are any improvements that might take place in the points you considered?—Yes; it was the defect in the various branches of the service that led me to the consideration; there were many defects in the different branches of the establishment so evident that it led me to consider the subject, in order to trace the cause of the defects, and to point out, to the best of my observation, a remedy.

4633. Are the defects you allude to defects in the service with which you were yourself connected?—There were defects evident and monstrous in the corps I belonged to.

4634. Do you confine your observations as to those defects to that corps, or do you apply them to any other parts of the affairs of the East India Company?—No, I do not confine them to that. I observed defects in efficiency in various branches of the service; and it was that inefficiency that led me to consider the subject, for the purpose of giving a detailed account of it, in order that a remedy might be applied hereafter.

4635. Have you ever been engaged in trade?—Never, upon any occasion.

4636. Have you had any means of becoming acquainted with the East India Company's commercial shipping?—I have.

4637. What class of ships have the East India Company been in the habit of employing in their commerce?—Of various classes; latterly greater variety than formerly; I speak of the last 25 years; they have some larger ships now than they had at that time; I believe the regular ships employed by the East India Company are from 700 to 1,400 tons; other ships are occasionally engaged in their service, as extra and chartered ships of a smaller description.

4638. Do you conceive that the large class of vessels of the East India Company possess any advantage over the class of vessels used by the Americans, or the free-traders of this country, for the China trade?—I understand that the large class of ships are subject to less expense with reference to the port-duties paid at Canton; but in every other point of view, as far as regards the employment of merchantmen,

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merchantmen, I should say the smaller class ship is better adapted for many reasons. A small class ship of an inferior description would, in proceeding to the port of Calcutta, take in her cargo at once; a large ship takes in her cargo at Saugur, which is a very considerable way down the river; it is in fact the entrance to the river Hooghley. The consequence of that is, that a great expense is incurred in lading those ships, and at different periods of the year the tide is so rapid that it creates considerable delay as well as expense; the delay in a large ship like that might possibly extend to 15 days if a boat came down one day too late, for unless she went out on a spring-tide she could not get out until the next spring-tide.

4639. Do you know the port of Canton?—No.

4640. Do you know whether those observations which apply to the river Hooghley apply to the port of Canton?—They must apply to every large ship which cannot go up to the port to which she is proceeding for a cargo. If the communication must be made by means of boats, an increased expense must be the consequence, and I suppose it applies partially at Canton, and to all ports situate in rivers.

4641. Do you conceive the East India Company's ships peculiarly fitted for carrying troops?—A large ship is certainly much better adapted for carrying troops than a smaller ship.

4642. Are not the troops sent out from this country usually accommodated in the orlop deck?—I have heard so.

4643. Have you ever heard of the Company's ships being employed as men-of-war?—I have heard that there have been some of them armed occasionally.

4644. What class of men-of-war of an enemy should you think a Company's China ship of 1,300 tons burthen, with 30 guns, and 130 men, would be a match for?—It would be difficult to say what she would be a match for. I conceive a ship of 1,300 tons, with 130 men, scarcely sufficient men to manage her in action; and if she had any number of guns on board, they may be considered inanimate pieces of iron, without a sufficient number of men to use them; but to say what she would fall a capture to would be merely matter of opinion; but that can better be ascertained by asking what vessels they have beaten off, and when they have been captured.

4645. Do you recollect the action between Admiral Linois and a fleet of East Indiamen?—I recollect the action. I believe there were 16 Indiamen of the largest description, with a number of country ships. The French force consisted of an 84-gun ship, 2 frigates, 2 sloops, and a brig; and I conclude that the judicious conduct of Commodore Dance, his firmness, his decision, and his good management, induced the French admiral to form an erroneous estimate of his actual force, which led to a result no less creditable to the British than disgraceful to the French. To judge of the severity of an action, one must look at the result of the killed and wounded. It is stated that the action lasted about 45 minutes; now the killed and wounded on the side of the British is stated at one killed, and one wounded; and the French admiral declared in his letter to General Decaen, that he sustained no loss whatever. An Indiaman is a very formidable looking ship, and is often painted like a first rate man-of-war; she would at any time be taken, at a considerable distance, for a 64; consequently, if the French were not disposed to fight, they had very good reason for imagining that there were a few 64 s out of the 16, and they had consequently very good reason for running away.

4646. Have you ever known an Indiaman captured by a French privateer?—Yes, I have.

4647. Do you remember the name?—Yes, I recollect the capture of the Kent.

4648. Where was she captured?—In the Bay of Bengal.

4649. What was the size of the Kent?—I believe the Kent was an Indiaman of about 800 tons.

4650. How many guns had she?—About 30 guns; I believe she had between 100 and 200 troops on board.

4651. What was the Kent captured by?—By the Confiance.

4652. What was the size of her?—About 300 tons; I happened to be on board her after the peace of Amiens.

4653. Do you know the number of guns she carried?—About 16 or 18 guns.

4654. Do you remember any other capture of an Indiaman?—I cannot call to my recollection.

4655. Do you recollect the Triton?—Yes, I do; she was about the same size as the Kent.

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4656. What was the Triton captured by?—By a pilot schooner; which pilot schooner was taken by Monsieur Surcouf; and a few French prisoners who escaped from Fort William went down the river in a budgerow, and seized a pilot schooner at the entrance of the river; they then ran out to sea, and falling in with the Triton, I believe off Ganjam, they boarded her under pretence of piloting her, and made her their prize.

4657. When did that happen?—I do not remember; but I believe the commander and officers of the Kent behaved as bravely, and defended the ship as long as in their power; I never heard the slightest slur thrown upon the conduct of any of the parties, and her capture possibly may be in some measure attributable to the peculiar structure of Indiamen, which carry, very injudiciously, most of their guns below, consequently, in the event of their being boarded most of the men are below when they ought to be on deck; I think an Indiaman would be much more formidable if instead of having 30 guns below she had 20 on deck.

4658. Do you think the sea-risk of an Indiaman, equipped in the usual way, greater or less than that of a merchant ship equipped in the ordinary way?—I believe at Lloyds the insurance is precisely equal between a good ship marked A. and any of the East India Ships, therefore in that point of view the risk is considered equal; however, personally, I should say a merchant ship laden is less safe, encumbered with guns, than if she was without them, as far as sea-worthiness goes.

4659. Do you ever remember an instance of a vessel being overset on that account?—Yes, I recollect one of the Company's ships of 800 tons, called the Devonshire, overset in my presence in the river Hooghley, in a regular north-wester.

4660. Do you attribute that loss to her having ports?—Yes; the north-wester threatened for two or three hours before it came on; the sky was completely blackened; she was taking in cargo, and all her ports were opened; when the north-wester took her she heeled over; before they could shut her ports she filled and went down, and she remained with her mast-heads only above water.

4661. Do you remember any ships being lost in the years 1807 and 1808, between the Cape of Good Hope and the Isle of France?—Yes, I recollect it as a matter of history.

4662. Do you consider that they are more liable to that danger from their having ports and guns, than if they had none?—I have stated that as my opinion with respect to merchant ships generally; but perhaps that fact, with respect to this fleet, would be best ascertained by inquiring whether there were not some country ships in company. I have heard that there were some country ships in company, and that none of them were lost.

4663. Do you consider the East India Company's present mode of chartering ships as the most economical that can be adopted?—Certainly not.

4664. Will you explain the reasons why you are of that opinion?—I think if reference be had to some papers laid before the Court of Proprietors in 1826, a list of which I have here, a list of the shipping will be found which were employed at that time. Some of them have been taken up as high as 26 odd pounds a ton, and subject to an additional 1 *l.* 10 *s.* if sent to any intermediate port in India. Now looking at that very list laid before the Court of Proprietors I find that ships may be had at a much lower rate, and that they have been had by the East India Company for a single voyage for 12 *l.* 5 *s.*

4665. Are the tenders for the Company's ships publicly advertised for?—I believe they are publicly advertised for.

4666. Do you conceive that is the cheapest mode of getting ships furnished to the Company?—I should, provided the advertisements embraced that class of shipping which is to be had in the greatest abundance in the shipping market; but if the advertisement describes ships of which it is well known there are very few, or perhaps none to be had, I conceive the advertisement goes rather to meet the ship than the ship the advertisement. To illustrate the fact I would put a case hypothetically; suppose the Company advertise for a ship to be built in the Island of Penang, of teak, to bring home a cargo, and at such a date, I put it to the Committee to judge whether there would be likely to be any competition to meet such an advertisement.

4667. Have you made any calculation of the amount which might be saved by a different mode of contracting than that now pursued?—Yes; I have a calculation, the result of which exhibits the saving that might be effected, if the ships engaged by the East India Company, instead of being taken up for six voyages and for

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three voyages, had been engaged for one voyage, at the rate exhibited in the statement laid by the Company before the Court of Proprietors, a saving might be effected per voyage, imagining the whole of the ships to have performed one voyage complete, of no less than 574,028 *l.*; but if instead of taking them up for one voyage, at 13 *l.* 6 *s.*, which is the average of the single-voyage ships, they had been obtained at what I conceive they might be, at 10 *l.* 10 *s.*, or 10 *l.* per ton, a saving then would have been effected of upwards of 857,823 *l.*

4668. What time would the voyage occupy?—Looking at the distance they have to go, and what a free trader could do, and of course whatever a free trader could do the Company's ships ought to be able to do, they ought to do it in 12 months; but if the East India Company have generally engaged, as I conceive they have done, a great deal more tonnage than they actually require, of course the expense must be commensurate.

4669. Should you say that in the present mode of management there is 700,000 *l.* or 800,000 *l.* thrown away by the Company in their charge for shipping per annum?—No; I have taken the whole of the Company's tonnage employed at the time the papers were laid before the Court of Proprietors; it includes 47 ships, then chartered, and they had seven ships of their own; those two bodies of shipping taken together collectively amounted to 64,000 tons; therefore I have taken the whole of that quantum of tonnage, and said, if the tonnage costs such a sum before they have completed one voyage, and they could procure shipping in the market to do it at 10 *l.* 10 *s.*, the saving upon that quantum of tonnage will be the amount I have stated.

4670. You have stated that if the voyage performed by the East India Company were performed by a free trader, it would be performed in one year out and home?—Unquestionably. But if she had to go to Bombay, and be detained, and then to go to Madras, as the Company's ships frequently do, there is no saying what will be the length of the voyage, but they do not do it free of expense, because they frequently pay demurrage for such detention.

4671. What is the average time occupied by the Company in this voyage?—That is a question not easily answered, unless you particularize some particular ship. I have known some of the Company's ships cruising from one side of India to another for a cargo. I have known the Carmarthen and the Herculeum ships taken up in war time at an enormous rate. I made a voyage out to sea, cruizing, and came in again, and found the Carmarthen still lying at anchor.

4672. Do you know the longest time occupied by a Company's ship in performing the voyage out and home?—I cannot positively speak to that fact, but I suppose some of them make the voyage in 14 months.

4673. Do you think that is about the average?—No; it is impossible to average them, because many causes may operate to their detention.

4674. Are such causes of very long detention very frequent?—I do not imagine that such very long detentions are very frequent; but I imagine that it may be clearly known, that a considerable detention occurs, by the papers at the India House, but I would not press so much upon the delay of the voyage as upon the ship being sent often half laden, because the ships that go from Bombay to China are not above half laden on the Company's account, therefore the remainder of that freight is a dead loss. Perhaps to illustrate the high price of ships I need only state, that His Majesty has been building in the Company's dock-yard at Bombay seventy-fours, at per ton much less than the freight per ton of one of the 1,200-ton ships in war-time; and He has built frigates at a lower rate than some of the ships now taken by the East India Company sail per ton.

4675. At what rate have they built frigates at Bombay?—The Trincomalee frigate, of 1,065 tons, was built for 29 *l.* 8 *s.* 2 *d.* a ton; these are built of teak. The Cornwallis, 74, of 1,809 tons, was built at 30 *l.* 14 *s.* a ton; the Victor, of 382 tons, was built at 23 *l.* 9 *s.* 7 *d.* a ton; the Zebra, of 385 tons, was built at 24 *l.* 6 *s.* 7 *d.* a ton; the Sphinx, of 239 tons was built at 24 *l.* 6 *s.* 6 *d.* a ton; the Camden, of 240 tons, was built at 25 *l.* 3 *s.* 10 *d.* a ton.

4676. You have compared the price per ton at which the Government build ships in the Company's dock-yard, with the rate of freight per ton at which the Company take up their ships; for what purpose do you make that comparison?—It strikes one as a singular fact, that you could build a ship for a great deal less money by one third than you could hire one; and I believe the price of the seventy-four built at

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Bombay now to be enormous, from the injudicious manner of getting the timber. I could suggest a mode by which the price of timber would be reduced one half.

4677. Do the Company ever build at all for commercial purposes?—Yes; the Company have seven ships of their own.

4678. Can you compare the expense at which those ships were built by the Company, with the expense of the ships built by the Government at Bombay?—I cannot speak to the rate at which they build their commercial ships, but I can pronounce upon what it cost to build some of their pilot-schooners at Bombay; I must speak to that from recollection. I recollect, just before I left Bengal, some pilot-schooners were built for the Company's service, which appeared to be at such an enormous expense that it led the Marine Board there to animadvert upon the charge; and the papers happened to come to the office one day when I was there, and I took them up, and on going into the papers at the request of a gentleman present, I found that those schooners cost upwards of 50 *l.* a ton, while the King was building for 30 *l.* It appeared very monstrous; and it induced the Board to write to the Bengal Government, who wrote for an explanation; the explanation sent round by Mr. Meriton, the superintendent at Bombay, stated that those vessels were so expensive in consequence of being entirely fastened with copper, that the former pilot-schooners, of which a calculation has been submitted, previously built for the Bengal Government in Mr. Dundas's time, had been fastened with iron, but it was singular enough, on analyzing the account, it turned out that there was more iron employed in the copper-fastened vessels than there was in those that were built all of iron.

4679. Was that ever explained?—No, I believe there was never any satisfactory explanation given after that.

4680. Is this all matter of recollection, or matter of record?—It is matter of recollection now; but it is deeply impressed on my mind, because I happen to have the papers in my hand; and I recollect the correspondence between the Marine Board at Calcutta and the Government of Bombay upon the subject.

4681. On comparing the expense of the ships engaged in the private trade with the ships engaged in the China trade by the Company, are you aware that the size and the equipment of those ships employed in the Company's service are regulated by law?—No, I am not aware of that fact. By the 58 Geo. 3, I see the Act of the 39th and the 50th and the 51st are repealed, and since that it has not been imperative to equip those ships in that manner.

4682. Are you not aware that since that a very great change has been produced in the Company's commercial marine?—I am not aware of that.

4683. When did the repeal take place?—In 1818.

4684. In what year was this transaction?—I think it must have been about 1820 or 1821 that the correspondence respecting pilot-schooners took place.

4685. In speaking of the ships which the Company were employing in the year 1826, do you mean to compare them with the ships taken up for single voyages in the year 1830?—I beg to submit to the Committee a statement of all the ships employed by the East India Company in the year 1826, describing the name, the size of the ship, the rate at which she is taken, and all the particulars. It is from those ships I formed that statement. It is by calculation between the high-freighted ships and the low-freighted ones, in that statement furnished by the India House to me, that I have drawn the comparison, but I have not lost sight of their own ships, seven in number, which are sailing at the rate of about 27 *l.* a ton.

[*Witness delivered in the Statement, which was read as follows.*]

—1.—

A STATEMENT exhibiting the Names, Number, and Tonnage of all Ships now, 27th January 1826, chartered by the East India Company, of every description, the Rates of Tonnage, and Number of Voyages for which they are engaged, as also the Names of the Owners of such Ships, and the time or Date when they were engaged.

SHIPS NAMES.	Tonnage.	Rates of Tonnage. £. s. d.	Number of Voyages.	OWNERS.	Time or Date when engaged.
Herefordshire	1,200	21 18 9	6	John Locke	1811, January 11.
Vansittart	1,200	20 18 9	6	Joseph Hare	– July 10.
General Kyd	1,200	23 6 9	6	James Walker	—
Minerva	976	22 2 10	6	George Palmer	1812, Sept. 2.
Thomas Coutts	1,334 (a)	26 – –	6	Stewart Majoribanks	1816, March 29.
Duke of York	1,327 (a)	26 10 –	6	Stewart Majoribanks	—
Orwell	1,335 (a)	26 9 6	6	Matthew Isaake	—
Dunira	1,325 (a)	26 9 –	6	George Palmer	– June 5.
Windsor	1,332 (a)	26 5 –	6	George Clay	– Dec. 24.
Kellie Castle	1,332 (a)	26 4 –	6	Stewart Erskine	1817, March 18.
Royal George	1,333 (a)	25 13 –	6	John Fam. Timins	1818, Oct. 14.
Repulse	1,334 (a)	25 14 –	6	John Fam. Timins	—
Farquharson	1,326 (a)	25 15 –	6	John Christ. Lockner	—
Thames	1,330 (a)	25 17 –	6	Henry Blanshard	—
Macqueen	1,333 (a)	25 7 –	6	John Campbell	1819, Sept. 15.
William Fairlie	1,348 (a)	25 7 –	6	Joseph Hare	—
Sir David Scott	1,342 (a)	25 7 6	6	Joseph Hare	—
Berwickshire	1,332 (a)	25 9 –	6	Stewart Majoribanks	—
Hythe	1,333 (a)	25 9 –	6	Stewart Majoribanks	—
Duchess of Athol	1,330 (a)	25 10 6	6	W. E. Ferrers	—
Bombay	1,242 (a)	20 19 –	3	Henry Templer	1822, Nov. 13.
Charles Grant	1,246 (a)	20 12 –	3	William Moffet	—
Lowther Castle	1,427 (a)	20 12 6	3	John Crosthwait	—
Abercrombie Robinson	1,331 (a)	21 – –	6	Henry Bonham	1823, July 2.
Edinburgh	1,326 (a)	21 – –	6	Henry Bonham	—
Lord Lowther	1,332 (a)	21 7 –	6	Henry Blanshard	—
Rosa	955 (a)	19 14 –	3	Thomas Milroy	—
Prince Regent	953 (a)	19 17 6	3	Henry Bonham	—
Asia	958 (a)	19 17 6	3	Henry Bonham	—
Marchioness of Ely	952 (a)	19 19 –	3	Octavius Wigram	—
Marquis of Huntly	1,279 (a)	18 18 –	3	John M'Taggart	– Sept. 3.
Inglis	1,298 (a)	18 5 –	3	Rich. Borradaile	1824, Aug. 13.
Atlas	1,267 (a)	18 5 –	3	Charles Otway Mayne	—
Bridgwater	1,276 (a)	18 4 –	3	James Sims	—
Warren Hastings	1,276 (a)	15 7 –	1	William Sims	—
Princess Charlotte of Wales	978 (a)	19 2 –	3	Charles B. Gribble	– Sept. 8.
Marquis Wellington	961 (a)	19 4 –	3	Henry Bonham	—
Warren Hastings	1,000 (a)	18 5 –	2	John L. Miret	—
Coldstream	733	12 5 –	1	John Dawson	1825, March 30.
Guildford	533	12 19 –	1	James Mangles	—
Albion	479	12 19 –	1	Charles Weller	—
Childe Harold	463	12 19 6	1	Robert Granger	—
Bussorah Merchant	510	4 10 –	—	Charles Stewart	—
Malcolm	605	5 19 –	—	R. W. Eyles	—
Lord Hungerford	708	7 – –	—	J. L. Heathorn	—
Berwick	453	7 – –	—	James Greig	—
Commodore Hayes	678	7 18 –	—	George F. Young	—
Broxbornebury	720	5 3 –	—	Alfred Chapman	—
Java	1,175	6 2 6	—	Joseph Hare	—
Cambridge	802	4 10 –	—	George Palmer	—
Lady Kennaway	547	5 – –	—	George Jood	—
James Sibbald	666	6 9 –	—	Henry Blanshard	—
Maillard	634	6 17 6	—	Fraser, Living & Co.	—
Orient	596	14 7 –	—	S. Majoribanks & Co.	– May 4.
Roxburgh Castle	599	14 9 –	—	Wigram & Green	—
Countess of Harcourt	517	15 – –	—	H. Blanshard	—
Java	1,175	10 18 –	—	Joseph Hare	– May 25.
Broxbornebury	720	11 8 –	—	Alfred Chapman	—

-- these ships were engaged outwards for the voyage to Bengal.

- these ships were engaged for the voyage outwards to Bombay.

- for one voyage to China and Quebec.

-- for one voyage to China and Halifax.

-- to bring cargoes from China, after performing the service for which they were engaged, 30 March.

SHIPS NAMES.	Tonnage.	Rates of Tonnage.	Number of Voyages.	OWNERS.	Time or date when engaged.
		£. s. d.			
Marquis Hastings - -	452	10 19 –	- to bring cargoes from China.	George Lyall - -	1825, May 25.
Henry Porcher - -	500	10 19 –		S. Majoribanks & Co. -	—
In Room of the Kent -	1,300 (*a*)	21 – –	- - 6 - -	S. Majoribanks & Co. -	– June 22.
Clyde - - - - -	451	6 19 6	- to carry cargoes to Bengal.	Joseph Hare - - -	– July 15.
Eliza - - - - -	511	6 15 –		W. Abercrombie - -	—
Marquis Camden - -	1,286 (*a*)	18 18 –	- - 3 - -	Thomas Larkins - -	– Aug. 17.
Lady Melville - - -	1,257 (*a*)	18 19 –	- - 3 - -	Octavius Wigram - -	—
Castle Huntly - - -	1,311 (*a*)	18 19 6	- - 3 - -	J. H. Gledstanes - -	—
General Harris - - -	1,280 (*a*)	18 19 –	- - 3 - -	James Sims - - -	– Aug. 24.

The ships marked thus (*a*) are entitled to an extra freight of 1 *l.* 10 *s.* per ton, if sent to the Island of Bombay, or to the Continent of India, and from either of those places to China.

January 17th, 1826.

—2.—

In January 1826, it appeared by papers laid before the Court of Proprietors that the East India Company had then engaged in their trade 47 ships; viz. 24 for six voyages, some of which were hired as high as 26 *l.* 10 *s.* per ton; others for three voyages; and only five for one voyage; the average rate of freight on such five single-voyage ships was only 13 *l.* 6 *s.* per ton each.

	£.	s.	d.
Now the chartered ships above mentioned, 47 in number, collectively amount to about 55,601 tons, and the rate of freight above stated cost the Company per voyage, exclusive of demurrage - - - - - - - -	1,187,778	–	–
The Company have also seven ships of their own, amounting to about 8,897 tons, and which, by the accounts submitted in 1826, average, taking them altogether for the voyage they have performed, about 27 *l.* 8 *s.* 8 *d.* per ton, making the amount of expense per voyage on the seven, of - - - - - - - - - - - -	244,074	–	–
Or the total charge for freight per voyage - - - - £.	1,431,852	–	–
It is therefore evident, that if the Company, instead of engaging ships as above, for six and three voyages, had hired ships for one voyage at 13 *l.* 6 *s.* per ton, the amount charged for 64,498 tons of shipping would have been only - - - - - - - -	857,823	8	–
Effecting a saving per voyage of no less than - - - £.	574,028	12	–

If, however, the Company were desirous to conduct their commerce with India and China in the most profitable manner they would employ such class of ships as the British market offer in abundance, and their tonnage might be all obtained at 10 *l.*, or probably 10 *l.* 10 *s.* per ton, by which means a saving in their charges for tonnage per voyage might be effected, to the amount of 750,000 *l.* sterling.

The Company, however, by reference to the papers at the India House, showing how the ships engaged by them are laden, appear little disposed to economize in this branch of expense, as those ships, except on the return-voyage from China, are seldom more than two thirds laden on the Company's account.

4686. Did you mean to say, in a previous part of your evidence, that the amount of 500,000 *l.* might be saved between the average rates of the ships in the service of the Company in the year 1826, and what might be now supplied if competition in the market was made use of?—Not quite so; my statement is to draw a comparison of what the Company have done themselves with respect to five ships taken up for single voyages, which ships they got at 13 *l.* 6 *s.* per ton; and I say that suppose they had taken them all up in that way, such would have been the saving; but my last statement goes to illustrate what might have been done if they had been had at 10 *l.*, which I consider a sort of market-freight.

4687. Are you not aware that the Company were obliged by the last Act to take up ships for six voyages?—I am aware that there is an Act of Parliament which enjoins that ships taken up for the trade with India and China shall be taken

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taken up for six voyages; but I am also aware that there is an Act which permits the East India Company to take ships up for one voyage to China; those are the ships that I propose to have taken up.

4688. Did you mean to state that in the year 1826 the Company did take a certain number of ships up at 13 *l.* 10 *s.* per ton?—There are no ships taken up in that statement in 1826, the last is in August 1825. Here are some ships taken up at 10 *l.* 19 *s.* to proceed to North America; but I imagine they might be had as well for one purpose as the other.

4689. Are you aware that the East India Company has during the currency of their present charter taken up a number of ships for six voyages at from 21 *l.* to 26 *l.* per ton, and that per voyage, a good free trader might be had from 8 *l.* to 10 *l.* per ton in the same year?—Of course my answer is but matter of opinion. I cannot decide upon what a free trader might possibly be had for; but it is pretty notorious; and I should only say, if I had a free trader to employ her myself, I should be very much obliged to the Company to take her for six voyages instead of one, and therefore I should think that is in favour of the six-voyage ship.

4690. It appears by that statement that the rate of freight at which the Company take up ships for six voyages is higher than that at which they take them up for one voyage?—Unquestionably.

4691. What is the reason of that difference?—I consider it is because there is less competition; there is very little competition in 1,200 or 1,300-ton ships; there is nobody but the owner of a China ship hardly that can think of tendering; there is nobody else in the market; therefore the competition is confined to a few dozen individuals; and I believe few persons ever build a 1,200-ton ship unless they have very good reason to think they have interest enough to get her employed; but, however, to illustrate why the Company have those ships, it will be necessary to go a little farther back into the Company's history. In looking back to the history of the East India Company, and the style of equipment which seems to have been followed up to the present hour, the reasons which induced such equipment having long since subsided, it may be worth while to remark, that when the ships were first fitted out, and armed with guns, and a large proportion of men, the India seas were infested with freebooters and pirates, formidable, and of course their commerce was in danger without such equipment; and at that time, in the early part of the Company's history, the ships fitted out by the East India Company were in all respects formidable as men-of-war. His Majesty's ships were much less efficient than they are at present, and the difference was not so great then between East Indiamen and men-of-war.

4692. Now the Company take up a different class of ships for single voyages?—Yes, they do.

4693. Is there any distinction between the Act as to the class of ships which they are permitted to take up for six voyages?—I cannot speak as to the precise terms of the Act; but I should imagine that the Legislature have no motive in circumscribing the conduct of the Company in the management of their commerce; and that any Acts which have been framed for the government of the Company in taking up their ships have been most likely from the petition of the East India Company, and that they have in fact framed the Act themselves.

4694. Can you give any reason for the difference of the class of ships which the Company take up for their single voyages?—I am not positively aware of it; I believe the East India Company prefer large ships from many considerations; they may perhaps consider them more available for other purposes.

4695. It appears by reference to the Minutes of Evidence taken before the Lords in the year 1821, that it was then stated by Mr. Grant that there were tenders to the East India Company for 48 ships, of the aggregate burthen of 24,350 tons, the highest rate of freight not exceeding 12 *l.* 10 *s.*, the lowest not more than 7 *l.*; the whole making an average together not exceeding 9 *l.* 16 *s.* 10 *d.* per ton; that the Company obtained the tonnage they required from the quantity offered upon that occasion, the average rate of 8 *l.* 4 *s.* 8 *d.* per ton; do you know what the Company were paying in the year 1821 for ships that were chartered by themselves?—I do not see any ship taken up in 1821; but here is one in 1822, the Bombay; and here is one in September 1819, the Duchess of Athol, 1,330 tons, 25 *l.* 10 *s.*; then here is the Hythe, 1,333, taken up about the same time, 25 *l.* 9 *s.*

4696. Does not part of those high charges arise from the expensive equipment

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of those ships?—Possibly part of them may arise from that; they are certainly equipped in a superior manner to what ordinary merchantmen are.

4697. Do they see any necessity for that extra equipment?—I should imagine, in a commercial point of view, the question resolves itself into what the underwriters consider to be desirable or not desirable; because if they will insure your ship and cargo at the same rate as the other ship, which is taken up less expensively, you gain nothing as a merchant; if they will not estimate the Company's ships any safer for this additional equipment, there will be no gain in the more expensive equipment.

4698. Is it the fact that the underwriters estimate them both at the same rate?—They do.

4699. Do you attribute the higher rate of freight at which the Company take up ships for six voyages to the absence of competition?—Mainly.

4700. Is there more competition in cases in which they take up ships for a single voyage?—Undoubtedly.

4701. How is that accounted for?—The ships taken up for single voyages are all of an inferior size.

4702. Then it is not worth a shipbuilder's while to undertake the building of the class of ship which the Company take up for six voyages, unless he is pretty certain of employment for it?—I should imagine they never build one without the intention of their being engaged in the Company's service; I believe they are all built expressly for the service.

4703. Are you not aware that when advertisements are thrown out for tenders for ships to be built for their service there are always a great many more offered than are required?—I am not aware of the fact.

4704. How then can you state that there is no competition?—It may be the case in some instances, that when advertisements are thrown out there may be some competition, but in the hypothetical case I have put of a ship built at Penang, there could be no competition, and that case was founded on fact.

4705. The question refers to ships built in England; do you, or do you not, know that upon advertisements being thrown out for the hire of ships for six voyages to be built, there are always ten offers for one ship required?—I am not of course aware of the number of tenders, because it could not have come within my observation.

4706. How can you state that there is no competion in ships of this nature?—I believe my statement has gone as to ships in existence, not as to building.

4707. Are the contracts for ships for six voyages always contracts for ships to be built?—Of course; in answering the question I only speak from hearsay, but believe they are often made for ships partially built or building.

4708. Are you acquainted with the Act of 58 Geo. 3, c. 83, upon the subject of shipping?—I am, cursorily.

4709. Are you aware that the Act prescribes regulations for the advertisement for tenders for hiring ships, and also that prescribes that ships shall be taken up for not less than six voyages, except in cases of unforeseen exigency, in which case the Company may take them up for one voyage only?—Yes, I am aware of that Act.

4710. Do not the answers you have given respecting the cheaper mode of the East India Company obtaining freight contemplate the doing away with the Act of Parliament?—Undoubtedly; I consider the Act of Parliament as obtained at the request of the East India Company probably upon petition to the House of Commons.

4711. Upon what ground do you consider that?—Because I consider it a question in which the state have little interest besides that of enabling the Company to trade to the best advantage. I consider the interests of this country are implicated in the best management of the East India Company.

4712. You have stated that the East India Company engage more freight than their employment requires, upon what ground have you made that statement?—In referring to the paper laid before the Court of Proprietors I see the quantum of cargo put on board, and my own personal experience informs me that the ships formerly which sailed for Bombay on a voyage to China were only half laden on the Company's account; therefore I presume there was more tonnage than they required.

4713. Might

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4713. Might it not be the case that though the voyage from Bombay to China might not have required all the tonnage that was engaged, yet that the Company required the whole tonnage home from China?—It might be so; but I conceive if a ship is to lose a number of tons of cargo, say one third of her whole tonnage, by such management, it would be economy to let her go away with her whole cargo to make two returns to China; but to meet the contingency the agents of the East India Company might have led the tonnage from Bombay to China; they need not have lost by it as merchants.

4714. Are you not aware that the tonnage which the Company do not require is let to the captains and officers?—I am not aware that it was done during the time I was in India; if it is let, it has been let since the period to which I advert.

4715. Do you conceive that the high rate per ton of the six-voyage ships arises from the small number of those ships in existence, and from the Company being in the hand of the ship-owners?—That certainly is very much my impression; and I believe if reference be had to the history of the East India Company, it will be found that those ships were some of them owned by the Directors; that was found very objectionable, because it increased the expense of the ships.

4716. How long was that ago?—I cannot say

4717. Are not some of the ships built and fitted out for the East India Company owned by near relatives of the Directors?—Yes.

4718. Are not all the ships engaged by the Company taken up by public tender?—The Act enjoins that they shall be.

4719. Have you any reason to believe that the Act is violated?—No.

4720. Is it not a condition in the Act that the lowest offer shall be the one accepted?—I believe it is.

4721. Would, therefore, the circumstance of a relation of a Director being an offerer, be a reason for rejecting the ship, supposing that was the cheapest tender?—I have not implied that it would be.

4722. Is it the fact, that the rates paid by the Company are very considerably higher than the rates paid by the fair trader?—Immensely different.

4723. Do you mean to say that the freight of a ship, such as a 1,200-ton ship, engaged for warfare and for commerce, is to be compared with the freight of a ship of 500 tons engaged for a single voyage to bring home cargo from India?—My calculation of the comparative saving is made on papers laid before the Court of Proprietors; and I should myself, if I had a ship, conceive myself most fortunate in having it engaged for six voyages certain, in the same manner that I should prefer letting a house for six years certain instead of one.

4724. Do you think a ship-owner would be a prudent man who should make an engagement for the six voyages at the present low rate of freight?—That is a question that would resolve itself into what the man contemplated he could do with his ship; however, I think the East India Company would benefit considerably if they never took up ships for more than one voyage at a time, and if they trusted more to the market abroad for part of their return-freight if they could, because they might very frequently engage ships in India at a much lower rate.

4725. Are you not aware that the Company do engage ships in India to bring home part of their tonnage?—I am aware of it.

4726. Do you think it would be prudent to trust entirely to the chance of tonnage home?—Not entirely.

4727. Do you think that in case of war the supply of tea required for this country could be conveyed with as much safety and regularity in ordinary merchant ships as in the Company's ships, armed as at present?—Undoubtedly.

4728. Will you refer to the Act of the 58 Geo. 3, c. 83, cl. 3; does not that clause empower the Directors to take up ships which have performed their contract for six voyages in the service of the Company, for any number of voyages which the discretion of the Court of Directors shall think fit?—It does for a limited number of voyages, according to the discretion of the Court of Directors.

4729. Are you able to state whether there are many ships of that description?—No; I dare say there are some.

4730. Are they not, in point of fact, freighted at lower rates than those engaged for six voyages?—I believe the ships engaged for the conveyance of tea to North America are some of that class.

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4731. Do you not conceive that in the event of a tender for a certain number of ships the contractor might very naturally look to the prices which have been paid for the last few years in making his tender?—Yes, I should think so.

4732. Do you conceive that the limitation by law of the Company's dividend to 10½ per cent per annum operates benefically, or otherwise, in conducting their commerce?—I cannot imagine any benefit it confers; and I should rather be induced to believe, that when you take away the motive to acquire any advantage you remove half the inducement for economy.

4733. Were you with the late Sir Stamford Raffles when he formed the settlement at Sincapore in the year 1809?—I was.

4734. What number of inhabitants did you find at Sincapore when you first arrived?—They were principally fishermen; it was a small fishing village.

4735. How long did you continue at Sincapore?—I remained there several months, riding guard.

4736. How soon after the British fleet was erected did the new settlers begin to arrive?—Daily.

4737. Did the Chinese come there?—In great numbers.

4738. Had you considerable intercourse with the Chinese colonists?—Yes, constantly; I met with them in every island of the Eastern Archipelago.

4739. Did you consider them a commercial people?—Peculiarly so.

4740. Do you know any thing of the Chinese junks that navigate those seas?—Yes; I captured two Chinese junks in the Straits of Gaspar coming from Batavia, bound to Amoy; very large junks.

4741. Had they valuable cargoes on board?—Their cargoes were valued by papers we found on board at between 500 *l.* and 600 *l.* sterling.

4742. Was there any trade at Sincapore when you were first acquainted with it?—Nothing, except a trade in fish, and some trifling trade of that sort.

4743. Have you ever perceived any injury to the various establishments of the East India Company from the influence of their commercial transactions?—I certainly conceive their commercial transactions operate particularly to the injury at least of one of their establishments, and possibly of many others, but certainly to the injury of the Bombay marine.

4744. Were not the Company's military marine sumetimes put under the orders of their commercial marine?—Constantly, by the Court of Directors orders.

4745. What was the object of that?—I cannot determine, except that the Court of Directors always exhibited a strong predilection to make their merchant ships as warlike as possible, and their men-of-war as commercial as possible.

4746. Do you conceive the exhorbitant freight paid by the Company to increase the territorial charges of India?—Undoubtedly.

4747. In what way?—Of course the military stores sent out to India for the different establishments, the tonnage of which is very considerable, and which comes under the head of political tonnage, if charged at the rate paid to their ships, instead of the rate at which it might be sent out, augments the expense in the ratio of the freights, and it increases the territorial charges in no small degree.

4748. Do you conceive that the opening of the free trade has been beneficial to India, or the reverse?—Undoubtedly beneficial.

Lunæ, 10° *die Maij*, 1830.

Mr. *William Walford*, called in; and Examined.

Mr. *W. Walford.* 10 May 1830.

4749. YOU have been an agent for the manufacturers of long ells?—I have.

4750. Have you been engaged long in that business?—All my life.

4751. And your family before you?—And my father and grandfather before me.

4752. Have you been in the habit of selling long ells to the East India Company?—I have.

4753. And also to the American traders and their agents?—Yes.

4754. What has been the practice of the Americans in purchasing long ells; have they been in the habit of purchasiug those which have been rejected by the Company?—I have frequently sold them the rejected goods of the Company.

4755. Do you know why the Company reject those goods?—They have been rejected from various causes, as being light, as being of an inferior quality, narrow sometimes.

4756. Have the Americans paid you a lower price for the articles in consequence of their inferiority?—They have paid a lower price for them.

4757. Does the inferiority of price bear reference to the comparative inferiority of quality?—Yes; always bearing that proportion.

4758. Have any other goods been made within your knowledge purposely for the American trade?—I know that I have had goods made, and I know that others have had goods made lighter for them.

4759. Then the Committee is to understand, that the Americans have goods made of an inferior quality than those which the Company export?—To my knowledge they have purchased goods which were made lighter; I do not know that they were made lighter expressly for them, but they were made lighter, and they purchased them.

4760. Was not the Company in the habit formerly of purchasing a superior quality at the price of 50 *s.* a-piece?—Yes; for many years together they used to purchase a quality called supers, almost the fabric of kerseymeres, and they paid a proportion of 35 per cent higher for them.

4761. Do you know for what cause that has been discontinued?—No, I never heard.

4762. Are you able to state whether the Company was in the habit of purchasing three descriptions of quality, distinguished by a striped green, and red heading or ferrill, each differing 2 *s.* in price the one from the other, the striped being the finest, and the red the lowest quality?—Yes.

4763. Do you know that they now have ceased to send those various sorts, but have entirely confined their purchases to the green heading, the middling quality?—Entirely.

4764. What has been the description principally purchased by the Americans?—They have been distinguished by their green heading, considering that they bought the same quality; the inferior goods which they have purchased have had the same heading.

4765. Are you aware that the Company have made various experiments to purchase other articles, some at a higher price, and some at a lower, with a view to push the manufactures of this country into China?—I have known them to make several experiments of that nature. I recollect their purchasing, for two or three years, long ells, costing about one third less than those green headings; they bought for two or three years to the amount of about 20,000 long ells per annum of that quality.

4766. As far as your information goes, have they discontinued it?—They have discontinued it, I know.

4767. Have the Company been endeavouring to supply themselves from Yorkshire within your knowledge?—I have known them make two experiments in purchasing long ells in Yorkshire; one year they contracted for 20,000 pieces; and, I believe, they did not find the contract completed.

4768. Do you happen to know what was the reason of the failure?—I think the inspector said they did not consider them long ells; they were not a good imitation of the article.

4769. From your knowledge of the dealings of the Company, can you state whether it was the Company's practice to purchase by tender from agents, which latterly has been done by open competition among the manufacturers?—When they first commenced purchasing long ells they purchased from the agents; the agents used to tender; there were three or four agents only at that time. For the last 10 or 15 years they have sent circulars once a quarter round to the manufacturers themselves; the manufacturers send, individually, answers to those tenders.

4770. Do you believe that any great combination exists among the large manufacturers?—I think that some of the large manufacturers, who possess mills and large capital, have an understanding one with the other; but I consider that is defeated by the numerous smaller ones, who are also tendering at the same time, and who have no connection or understanding with them, and who are opposed to them in fact.

4771. You think there is sufficient and ample competition?—I think it impossible for a combination to exist among them.

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4772. Are not the prices of long ells now very considerably lower than they were known to be before?—Certainly; people used to consider that the price of the green heading used to vary from 33 *s.* to 35 *s.* for 10 or 15 years together; the Company have lately purchased them between 18 *s.* and 19 *s.* a-piece.

4773. What, in your opinion, is the effect of the Company's system of purchasing goods; do they pay dearer, or are they more cheaply supplied than private merchants by that mode of competition?—I should think they are supplied cheaper; I charge a less commission.

4774. Are not the purchasers always sure of their money from the Company?—Certainly; I charge two and a half per cent guarantee with a private merchant, where a credit is given, which is not charged on goods sold to the Company; and I also charge a smaller commission on the Company's goods, because of the magnitude of the business.

4775. Have you any means of knowing whether the American merchants pay agents or brokers commission for buying goods?—I have always understood that they do; I know, at first, some of them did employ agents.

4776. Has any attempt been made to introduce long ells into China through Russia?—I tried it myself once.

4777. Did it succeed?—No, it did not.

4778. Have you any reason to know the cause of the failure?—The gentleman to whose care I intrusted them is now in England; and he said it was the immense distance over land that operated against it, and there was a fabric in Russia very similar to it, nearer the frontiers of China.

4779. Does the Russian tariff affect it in any way?—I should think it would. I was in conversation with this gentleman on Saturday, who had just received a new Russian tariff, in which there was a considerable augmentation of duties on British manufactures; and he stated that Prussian cloths were actually sent through Russia to China, and that the duties exacted upon them by the Russian government were very much lower than those upon British.

4780. You are aware that the Company have a strict examination of every article that they purchase?—I am perfectly aware of it.

4781. The effect of which is to establish a character for those exports, which, under the Company's mark, go all through China?—I have always been told that it was kept up with that view, that a bale of the Company's goods with their mark need not be opened.

4782. Have you been concerned in dyeing for the Company, and also for private merchants?—I was a partner in a dye-house in the neighbourhood of London, which was employed by the Company.

4783. Have you been in the habit of dyeing for the American traders?—I have.

4784. Do they always require the same quantity of dye, and the same attention to the article as the Company?—They were not so particular about the quality of the dye. In some colours they differed. In dyeing scarlets there is what is called a three-quarter scarlet, which is only three fourths of the depth in colour of the other scarlet. They used to have that, and the price was proportionably lower; we used to charge them three fourths of the price of the Company's scarlet. There is a great deal of difference in inspecting goods after they are dyed. In inspecting by private merchants, burls and other imperfections were passed over without any minute inspection, all which is done by the Company's inspectors, who are persons employed on purpose.

4785. Do you consider the best cloths to be the West-country cloths, or the Yorkshire manufacture?—It has been but of late years that the East India Company have at all adopted the cloths made in Yorkshire, and which were made in imitation of the West-country cloths at first, and they are not considered, I believe, at this moment so good.

4786. Has the Company of late shown any disposition to buy cloths already dyed?—They have purchased cloths already dyed of the Yorkshire manufacturers.

4787. Has the proportion rejected been considerable to the proportion received?—I believe the proportion of the rejections has been very large.

4788. Do you know what has become of the rejected cloths of the Company?—I believe they have always been sold at a lower price. I was offered 1,000 pieces last year by one manufacturer, which I refused.

4789. Is

4789. Is it not the Company's practice generally to buy cloths in white?—It always used to be their plan.

4790. Are not imperfections in the article better perceived in white than after it has been dyed?—Decidedly; there are imperfections which the colours will hide, and which affect the quality of the cloth; it improves the appearance of the quality.

4791. Is the mode of dyeing not so good in Yorkshire as it is in London?—I do not think the Yorkshire dyeing so good as the London dyeing.

4792. Under the close inspection of the goods by the Company have you ever found the Company severe and unreasonable in their examination, so as to bear hardly upon the manufacturers?—I do not think I ever did.

4793. Do you consider the Company are desirous of economy in the arrangement of their business?—I have always found them so as long as they could secure a superiority of the articles which they were shipping; they always appeared to direct their attention to economy.

4794. Have you any knowledge of the practice of dyeing long ells purple without cochineal?—I have. When it was first adopted by the Company I had not at that time one of their shares of dyeing, but I offered to do the whole of their purple long ells in the season of 1806 without cochineal. I undertook at that time a contract for the dyeing of 30,000 long ells without cochineal; that was a saving of 15,000 *l.* to the Company in one season.

4795. Was it found to answer?—It has been continued ever since.

4796. Are you aware what quantity of lac has been imported from India in the last 10 years?—The average importation of the last three or four years has been from 2,000 to 2,500 chests; before that it was larger.

4797. What has been the effect of this increased importation upon the price?—The price is very much lower than it was.

4798. What is the exportation annually?—I believe from 200 to 300 chests; there is some goes to France direct.

4799. Is not lac an article of export from the East Indies?—It is a manufacture of the East Indies.

4800. Where does cochineal come from?—From South America.

4801. So that the effect has been to encourage an export from India?—The effect has been to exclude the use of cochineal in woollen dyeing throughout England. I recollect purchasing the first lac dye that came to the country; 15 or 20 chests.

4802. Do you mean that it has effected an entire exclusion, or only partial?—I believe an entire exclusion. The India Company adopted it among the first, and it is used alone now in their manufactures.

4803. You stated you had a share in the Company's dyeing; will you explain what you mean by a share?—It was divided into 36 proportions or shares.

4804. In what way did you obtain that share of the Company's dyeing?—They appointed me to that share in the year after I contracted for that large quantity of purple.

4805. Was that by competition among all the dyers?—The other dyers refused to undertake those purples.

4806. Do you know in what way that dyeing was apportioned to the parties who took it; was there an advertisement, and a tender?—There was a tender, but no advertisement; the apportionment of the business was made by the Company.

4807. In this case, was there any competition with respect to the dyeing of the cloths?—There was a tender.

4808. In what way were you apprised that there was a certain quantity of cloths to be dyed by the Company?—Because they dyed them annually.

4809. Is there an annual tender for the dyeing of the cloths?—There is.

4810. In what way is that made public?—I believe it is by notice sent round from the Buying-office at the India House to the different dyers.

4811. Is it sent to the dyers only that have a share of the Company's business?—It is sent to them only.

4812. When were you first appointed to a share?—In the year 1807.

4813. Do there still continue to be 36 dyeing-houses among whom the business of the Company is apportioned?—No; I believe it is discontinued; I myself have discontinued it some years, in consequence of the falling off of quantity; and the low prices.

4814. Is it ot the fact that dyeing is done much more cheaply in Yorkshire than

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than in London?—It is difficult to say whether it is cheaper; for it is not so well done; the prices are lower, I believe.

4815. Can you state, for instance, what the price for dyeing woollens is in London?—I do not know; I have not turned my attention to it for the last four or five years.

4816. You stated, that the long ells now purchased by the Company are at much lower prices than they used to be formerly; are the whole of the woollens purchased by the Company lower in price now than they used to be?—I should think they are.

4817. Are you aware that there has been a very considerable falling off in the export of woollens by the Company to China; for example, between 1810 and 1828?—I should think upon cloths there was not a falling off; upon long ells I should think there is.

4818. If the Parliamentary Returns state that in 1810 there were 237,103 pieces exported by the Company, and in 1828 only 123,317, you are not able to account for that difference?—The impression upon my mind was, that the quantity of cloth was rather increased, but that of long ells reduced; but I cannot explain the reason.

4819. You stated that the Americans buy a lighter description of long ells; do you not imagine that they find that more suited to the China market, and therefore export it?—I cannot say.

4820. Are you aware that the export of woollens by the Americans to China has considerably increased?—I should think it had not.

4821. Was the dyeing carried on at a higher or lower rate of profit than that which prevailed in other branches of commercial adventure at the period when you were engaged in it?—I gave it up, because it left little profit.

4822. Are the conditions of contract imposed by the Company so vexatious as to raise the price?—I never considered them vexatious; I always considered them as necessary to preserve the quality of the goods they exported.

4823. To what amount are their rejected cloths depreciated in price, if sold to merchants?—I was offered 1,000 pieces last year that had been rejected; and, as far as my recollection goes, they were offered at a reduction of about five per cent from the contract price of the Company.

4824. Did you ever experience any inconvenience from having cloths that you had furnished to the Company rejected?—I have had them rejected.

4825. Do they not often reject them for being a little lighter?—They do.

4826. Is not it very difficult to act up to the exact letter of the Company's contract in a large order?—Not at all.

4827. You stated that you had supplied considerable quantities of long ells to the Americans; did you ever supply any to Messrs. Baring & Company?—I do not recollect that ever I did; I may have sold them to their agent. I believe that when they first went into the trade they employed an agent to purchase for them.

4828. Has it been your practice, when you have sold goods on American account, to pack those goods?—No, I never pack them.

4829. Is it consistent with your knowledge what marks were put upon them?—No, I have lost sight of them after they were delivered from my warehouse.

4830. In cases where goods have been returned to you by the East India Company, on what terms have you been able to part with them?—It depended entirely upon how inferior they were to the standard they ought to have been; it varies from five to ten per cent; perhaps not more than ten per cent.

4831. Are the conditions imposed by the Company upon a preparation of those goods under the contracts such as to render the manufacture of them much more difficult than for a private merchant?—I should think not; I have known one manufacturer have 10,000 long ells looked over or inspected, and not more than four or five pieces rejected.

4832. In making a tender under those contracts of the Company do you take into the account, in your calculation the conditions they impose?—I am only the agent of the manufacturers, and they make the tenders; formerly the agents used to make the tenders, and we were never instructed by our manufacturers to make any allowance for that.

4833. As agents for those manufacturers, had you ever to answer the demands of private merchants?—Continually; it was part of my business.

4834. Was there any difference between the tenders you made to private merchants, and those to the Company, in point of price?—There was no material difference;

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difference; we would rather sell to the Company, and perhaps would sell cheaper to them than to private merchants, because we were more secure of our money; and because at a private merchant's, where credit is given, I charge two and a half per cent for a guarantee.

4835. Then the conditions imposed by the Company you conceive have no effect in raising the price of the manufactures?—I never heard them complained of till within these four or five years.

4836. Is it the custom of the trade to sell the rejected articles at their cost in the white state, supposing them to be dyed?—The practice of the Company, until within these last four or five years, has been to buy the whole of their goods in the white state; the purchasing in the dyed state has been only lately introduced by them; what sacrifice they might make on those dyed goods that were rejected I do not know. I know that 1,000 cloths that were offered to me last year were offered at a reduction of about five per cent; they were dyed, and they were scarlets and purples, and the value of the dyeing constituted a great deal more than the five per cent.

4837. Are you aware that, with the exception of broad cloths, there is a falling off in every article of woollens in the year 1828, as compared with 1810?—I have no means of referring to dates. I am aware that the Company's export of long ells now is less than it was in former years.

4838. Are you aware that in some years the export of long ells on American account has increased?—I am not aware of that; nor do I think it has increased in the proportion in which the Company's has fallen off. I think that last year the American exports decreased.

Mr. *William Ireland,* called in; and Examined.

Mr. *W. Ireland.*

4839. YOU are a Partner in the house of William Ireland & Company?—I am.

4840. Where do you carry on your business?—In London, in Aldermanbury, and in Gloucestershire at Chalford, near Stroud.

4841. What description of cloths do you and your partners chiefly manufacture?—Principally cloths adapted for the China market.

4842. What do you call them?—There are three descriptions; the first are Spanish stripes, the second supers, and the third wosters.

4843. What is the mode of supplying the East India Company?—By contract.

4844. Is it under contract offered to your house only, or to the public?—To all the respectable manufacturers either in Yorkshire or Gloucestershire. I have a circular which I received from the Company for a contract, inviting tenders from all the manufacturers.

[*The witness produced the same.*]

4845. Is it sent to all the respectable manufacturers?—I never knew it refused to any respectable manufacturer who made an application for it.

4846. How long have you been in the habit of supplying cloths to the Company?—Eleven years in my own firm; but I was seven years with Messrs. Fryer & Telford.

4847. In this circular are there any clauses more or less objectionable in your opinion?—I do not apprehend there are; at least I have not had any complaint from my connections respecting the clauses.

4848. Particularly with reference to the 3d, 5th, 7th, 8th, and 11th; do you apprehend they are essential to protect the Company from being imposed upon, and put to great inconveniences?—I think they are; the third clause respects the weight and length of the cloth.

4849. All of which is ascertained by overlookers appointed by the Company?—It is.

4850. Do you consider that they are judges of cloth?—I consider them very good judges of cloth.

4851. Do they ever reject without proper cause, in your opinion?—I think there is frequently cause for a great many more rejections than there are.

4852. In the event of a trifling difference in quality being found, is it the practice of the Company to take it, giving the turn to the manufacturer?—It has been the practice with me and my connections.

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4853. In the event of any cloths being rejected by the Company, how have you disposed of them?—I think the first serious objections were in 1819 and 1820; they were Spanish stripes; and I disposed of them to Mr. Henry Hughes, who afterwards disposed of them to Mr. Everett for shipping through the Americans to China.

4854. Were they inferior in quality?—They were inferior in quality; and we sold them at a considerable loss.

4955. At what loss?—The contract-price of the Company at that time was 13*l.* 15*s.* per piece; and I sold the rejected cloths to Mr. Everett and Mr. Hughes at that period at 11*l.* 14*s.*, which was 2*l.* 1*s.* per piece loss upon them.

4856. Were those dyed cloths, or white?—They were white; the Company always purchased in white then; it is only very recently they have purchased dyed cloths; the last year was the first season they have purchased the whole quantity of Spanish stripes dyed.

4857. When you were in the habit of offering goods to the Company did the conditions of the contract impose upon you the necessity of putting an extra price upon the article?—I should conceive not; at all events we never lay on an extra price for them. I always go down previous to the contract taking place, and consult with my partners, because we are guided entirely by the state of the wool-market. I have never known that we have laid on any thing for extra risk in consequence of the Company's conditions.

4858. Is not the mode of payment by the Company in ready money at a certain time after delivery?—We consider the Company's payment preferable to any other, because we can calculate to an hour on getting the money, provided we fulfil our part of the contract.

4859. Do you find that those contracts in any way give you more trouble in selling to the Company than in selling to individuals?—I do not; in fact I had a very recent instance to the contrary, by the last fleet that went out to China. I had a great deal more difficulty in supplying 200 ends of cloth to an individual that shipped them for one of the captains than I ever had even with the Company.

4860. Do you know whether the Company have increased or decreased their orders of late?—When I first commenced the business in 1819, the Company shipped 7,000 pieces, which is 14,000 ends; they used to buy them at that period in whole cloths, now they buy them in ends; they have increased their purchase of Spanish striped cloths to 24,000 ends; they first increased about the year 1824 to 10,000 pieces, and since that period they have increased to 12,000 pieces. There was also an increase of the supers at that period; there were 2,000 pieces of supers contracted for; there are now 3,000 contracted for, which go to China.

4861. All those articles have been supplied from Gloucestershire?—The greater part of those articles were supplied from Gloucesershire; some few from the Yorkshire manufactories, but very few.

4862. Has not this increase of the Company's exports been very beneficial to the labouring classes and the manufacturers?—I can only speak as to my own district. Had it not been for the Company's trade last winter I am perfectly satisfied that some hundreds of our people must have starved, for the poors rate would not have supported them at all. I am speaking of the parish of Bisley.

4863. Have you found the Company arbitrary in their dealings with you?—I have had no reason to complain of the Company; I find them just in their dealings; and I am satisfied that if we had not the restrictions in the circulars we have, the Company would be very much imposed upon.

4864. What restrictions do you mean?—I mean with respect to weight and length.

4865. You have stated that the ultimate disposition of the Company's rejected broadcloths was for the American market?—It was, some few years ago; about 15 years ago, there was a demand for this description of cloths for pelisses; they were bought up by the job-houses, who supplied Cranbourn-alley and that neighbourhood; but recently the demand has been done away with, and better cloth is made use of.

4866. Is it within your knowledge that when the Company's circulars are issued, the manufacturers meet together to fix the price at which to tender?—Such a thing has been attempted some years ago, but the manufacturers are of such a jealous disposition that it is impossible for them ever to unite together; and so particular are we, that I generally leave London on the night on which we make the tender,

and I am closeted with my partners all the day. We never could combine together.

4867. Is it your opinion that the Company buy under an open competition at the lowest possible price?—I am satisfied of it. I have been cut out of supplying many hundred pieces of 34 yards, by 1 *d.* or 2 *d.* per piece of cloth.

4868. You have stated that there has been an increase in the export on the part of the Company, of Spanish stripes and supers; are you aware whether there has been a decrease or an increase in their export of other species of woollen goods?—I am not.

4869. Are you not aware that the quantity exported by the Company of long ells, camlets and worleys, has considerably decreased during that period?—I am not.

4870. You reside in London?—I do.

4871. Can you state what number of the fine woollen manufacturers in Gloucestershire make tender to the East India Company for their contracts?—A great many of them do. Messrs. Stanton & Sons tender regularly; Messrs. Macleans, of Stanley Mill, tender regularly.

4872. Do the parties that make these tenders to the East India Company carry on an extensive business for other parties?—They do, very extensive. I should think Messrs. Stantons have the best business in fine cloths in the county of Gloucester.

4873. Can superfine or Spanish striped cloths be dyed in Gloucestershire at as low a price as they can in London?—Lower, I conceive.

4874. Do you know whether they can dye as cheap in Gloucestershire as they can in Yorkshire?—I think quite as cheap, because the Yorkshire people competed with us, and we have beaten them out of the market. The last contract they did not get a single yard of it; and one of the principal Yorkshire contractors, whom I met this morning, told me that he should not compete at all the next contract.

4875. In answer to question 2966, Mr. Dixon stated, that the London price for dyed Spanish striped cloths purple is 2 *s.* 4 *d.* per yard, and in Yorkshire 1 *s.* 6 *d.*; can you inform the Committee whether to your knowledge that statement is correct or no?—I cannot; but I can state what the public dyers in Gloucestershire charge for dyeing Spanish striped cloths purple; their price is 44 *s.* for dyeing a piece of purple of 34 yards, less five per cent, which reduces it 42 *s.*; and it appears by Mr. Dixon's evidence that the Yorkshire price is 51 *s.*

4876. Will you look at the statement in Mr. Dixon's evidence in page 196; should you have any objection to make out a statement like that of your prices?—I have no objection to give the public dyers prices in Gloucestershire, but I could not give you my own, because it is blended with the state of the manufacture. I believe we are the only house that dye the whole of our colours, and finish the whole of our cloth upon our own premises; for when I found that the Company had altered their system, I went down and engaged a London dyer to reside there for the purpose of dyeing.

4877. Is every cloth you supply the Company with, dyed?—It is.

4878. Upon what occasion was it you took that step?—When the Company commenced buying all their cloths dyed and finished.

4879. Are you speaking of cloth that is dyed in the wool, or dyed in the piece?—I am speaking of cloth that is dyed in the piece.

4880. Will you look at the statement given by Mr. Dixon of the Yorkshire prices, and make any observations which occur to you respecting it?—In the first place I observe, that the first colour mentioned here is higher by 9 *s.* a-piece than the Gloucestershire price. For the black also; we pay 6 *s.* a-piece for dyeing blacks, and I see the Yorkshire price is 11 *s.* 4 *d.*

4881. Are you aware of the fact, that the woollen trade is to a certain degree leaving Gloucestershire, and going to Yorkshire?—Some of the fine trade is, but a portion of it has come back again. With respect to the scarlet, the Gloucestershire price is 37 *s.*, and I find that the Yorkshire price is 48 *s.* 2 *d.*

4882. Will you prepare a statement of the Gloucestershire prices for dyeing, for the information of the Committee, similar to that furnished by Mr. Dixon of the Yorkshire prices?—I will.

[*The Witness delivered in the following papers, which were read as follows:*]

Mr. *W. Ireland.*

10 May 1830.

A STATEMENT of Prices for Dyeing 100 Pieces Spanish Stripe Cloths, of 34 yards each, in Gloucestershire, with the Proportions of each Colour shipped by the East India Company, by the Gloucestershire Dyers.

			£. s. d.	£. s. d.
28	Purple - - - - - -	at	2 4 – each	61 12 –
25	Black - - - - - - -		– 6 –	7 10 –
15	Scarlet (Lac) - - - - - -		1 17 –	27 15 –
8	Brown - - - - - - -		1 17 –	14 16 –
14	Mazarine Blue - - - - - -		1 10 –	21 – –
7	Light Blue - - - - - -		1 9 –	10 3 –
1	Ash - - - - - - -		1 – –	1 – –
1	Green - - - - - - -		1 10 –	1 10 –
1	Yellow - - - - - - -		1 – –	1 – –
100	Pieces of cloth - - - - - -		- - £.	146 6 –
	Deduct 5 per cent discount for two months bill - - - -			7 6 –
	Average per piece 1 *l.* 7 *s.* 8 ¾ *d.*		£.	139 – –

Wm. Ireland.

A STATEMENT of Mr. A. Dixon's Prices for Dyeing 100 Pieces of Spanish Stripe Cloths in Yorkshire, with the Proportions of each Colour shipped in every 100 Cloths of 34 yards long, by the East India Company.

			£. s. d.	£. s. d.
28	Purple - - - - - -	at	2 11 – each	71 8 –
25	Black - - - - - - -		– 11 4	14 3 4
15	Scarlet (Lac) - - - - - -		2 8 2	36 2 6
8	Brown - - - - - - -		1 5 6	10 4 –
14	Mazarine Blue - - - - - -		1 2 8	15 17 4
7	Light Blue - - - - - -		1 2 8	7 18 8
1	Ash - - - - - - -		– 11 4	– 11 4
1	Green - - - - - - -		– 17 –	– 17 –
1	Yellow - - - - - - -		– 14 –	– 14 –
100	Pieces of cloth, averaging - -	£.	1 10 – ¾	157 16 2

Wm. Ireland.

William Astell, Esq. a Member of the Committee, delivered in the following Paper, which was read, as follows: *W. Astell*, Esq. M.P.

10 May 1830.

CONTRAST of the Prices which Mr. Abraham Dixon, in his Evidence before the Committee of the House of Commons, on East India Affairs, (9th March 1830) p. 196, states to be paid to the London Dyers for the East India Company's Assortment of Superfine Spanish Stripes; and the last Prices paid by the Company for Dyeing to the London Dyers.

Proportion in 100.		Mr. Dixon.	Dyeing and Setting. East India Company's Prices, 20th Feb. 1828, being the last London Contract.
		£. s. d.	£. s. d.
28	Purple, per whole cloth of 34 yards - -	3 19 -	2 11 9
25	Black - - - - - - - -	- 19 -	1 1 9
15	Lac Scarlet - - - - - -	3 11 6	3 4 7
14	Mazarine Blue - - - - - -	2 11 6	2 13 9
8	Dark Brown - - - - - -	1 9 -	2 5 9
7	Light Blue - - - - - -	1 9 -	2 3 9
1	Ash colour - - - - - -	- 19 -	1 5 9
1	Saxon Green - - - - - -	not stated.	2 - 9
1	Deep Yellow - - - - - -	not stated.	1 13 9
100 cloths.			

James Cosmo Melvill, Esq. again called in; and Examined.

4883. IN your answer to question 4298, in p. 380, you say, "that combining ordinary usage, as respects interest being included in the invoice-charges, with the Parliamentary enactment, the upset-price of the tea should include interest from the time of the first expenditure to the time when the sale-proceeds of the teas are realized." This may be the practice and the mode of computation pursued by a private merchant; but will you explain in what way it seems to you that the Parliamentary enactment to which you have referred, gives power to the Company to charge interest prior to the arrival of the tea in England?—The Parliamentary enactment authorizes the Company to charge prime cost and the charges of importation. If interest were not included up to the period of arrival, I apprehend it would not be the prime cost and charges, but prime cost and charges minus interest, because the public in that case would have the free use of the Company's capital, which I never can believe was intended. *J. C. Melvill*, Esq.

4884. In answer to question 4300, p. 380, you say "that the charge which the Company make of interest under the Commutation Act is for 18 months; and you have ascertained that the average period that the tea in warehouse here is 20 months." Why does the Company resort to a mode of charging interest which, according to your statement, is less advantageous than if you charged interest for the period that the tea is in warehouse here; and the Committee put this question the more especially, because that which you state would be the most advantageous for the Company, would, it is evident, be in stricter conformity with the wording of the Commutation Act?—At the period that the Company determine to put up the tea to sale they cannot possibly say how long all of it will remain in warehouse; it therefore is necessary that they should proceed upon estimate, and my wish was to inform the Committee that I had ascertained that the estimate which the Company so make is accurate, and within bounds.

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4885. When did you ascertain that?—Previously to my last examination before this Committee.

4886. Did you ever ascertain, during any part of the prior years when the estimate was formed, that the number of months was longer than the estimate you have taken?—The period of 18 months, which the Company charge, is necessarily that which must always occur, as the Company's ships arrive only at one period of the year; and the Act of Parliament requires that there should at least (for it is a minimum) be always a year's consumption on hand. It is clear, therefore, that the actual period must be 18 months, or the Act would be violated.

4887. With reference to the present market-price of silver, you say, in answer to question 4305, page 380, "that upon an average of all the years since 1814–15, there is only a fractional difference between the value of the rupee at the market-price and at the old standard." This may be, but would it not have been a more correct and a more strictly mercantile mode of proceeding, to have considered what was the market-price of silver each separate year, and not what it was upon the average of years?—Possibly it might have been; though I would explain that the standard of 5 *s.* 2 *d.* still existed in 1817, and that so late as 1819, Mr. Tooke, in his evidence before a Committee of the House of Commons, stated distinctly that 5 *s.* 2 *d.* was then the standard.

4888. You say, in answer to question 4308, page 381, that "the old rate of 6 *s.* 8 *d.* per tale was recognized in 1781, in a paper appended to the 9th Report of the Select Committee of the House of Commons on the East India Affairs;" the Committee wish to ask you whether that rate, having been so recognized in 1781, is the Company's justification for continuing, whatever may be the exchange at Canton upon England, so to rate the tale, that is, for continuing to rate the tale at 6 *s.* 8 *d.*?—That valuation of 6 *s.* 8 *d.* per tale is not merely recognized in the Report of 1781, but it is also recognized by the Select Committee on East India Affairs in their Fourth Report in 1812, in which they state "the common valuation of the tale of 6 *s.* 8 *d.* will be assumed in the sequel to this Report;" and I would further state, that it is convenient and necessary in affairs so extensive and complicated as the Company's are, that they should in all their accounts observe fixed rates of exchange; the only question, I conceive, that can arise, is whether the rates which they so observe are fair as medium rates. If they are not so, or if through a change in circumstances they have ceased to be so, then I think it must be admitted that the Company ought to alter them. When a revolution took place in the Indian exchanges, in consequence of the opening of the trade, the Court of Directors were anxious to alter their fixed rates of exchange. The Board of Commissioners for the Affairs of India were of a different opinion, and they would not allow the rates to be altered. Hence it became necessary for the Court of Directors to continue the old rate of 6 *s.* 8 *d.* in the China accounts, because the re-payments by the Indian territory to the Company's commerce *via* China, were made at the rates which the Board controlled.

4889. In answer to question 4313, page 382, you stated "that the territory obtains great advantage by remitting the three millions sterling annually at the Board-rates of exchange, 2/3. 84. per Sicca rupee;" but in answer to question 4307, page 381, you state "that the Company have never acquiesced in the rates of exchange prescribed by the Board;" will you reconcile what seems to be a contra diction. In one answer you attribute great advantage to the Indian territory with respect to the Board's rates of exchange, whereas in a preceding answer you state the Company's hostility to those rates: and you observe, that had the Company sanctioned those rates in computing the cost of tea, the raising of the upset-price of tea would be the consequence?—The Court's objection to the rates of exchange prescribed by the Board was one of account. The only difference by the adoption of the Court's plan, in lieu of that prescribed by the Board, would have been that the territory, instead of getting an advantage in exchange, would have got the same amount advantage directly from the surplus commercial profits of the Company under the Act of the 53d; the territory, therefore, would have been in the same position as it is now. It would only have been a change in account.

4890. In answer to question 4324, page 383, you state that "the tale has been placed in China, by consignment of British manufactures, at 7 *s.* 49 decimals; would it be in your power to let the Committee know in detail how you have come to this conclusion?—If the Committee wish for such an account, that can of course be produced.

4891. Supposing

4891. Supposing the adventure made by the Company in manufactured goods from England, or from India, upon which there should be a loss of 50 per cent, should you feel the Act of Parliament was not strained by the charging the tale at a rate which would cover that loss?—I have stated in my last examination that such a loss would properly affect the value of the tale, as I regard all the consignments as remittances.

4892. In answer to question 4338, page 384, you have stated "that the necessity of transferring from India to England about 4,000,000 *l.* sterling per annum, is a circumstance presenting a formidable obstacle to the growth of a profitable export trade from this country, either to India or to China," is it then your opinion that neither China nor India will ever become extensive markets for British manufactures?—I could not presume to say so at any period; but more especially at a period like the present, when the commerce of nations is so much better understood than it used to be. What I wished to impress upon the Committee was a sense of the difficulty to which anything like a free trade to India or to China must be subject, from the obligation under which India is placed, of annually effecting a large remittance, irrespective of returns in the ordinary course of trade.

4893. Do you consider that the same difficulty would apply were a like remittance to be due from any one part of this empire to another?—I conceive a similar difficulty would apply to the case of trade between this country and another; that if this country had to make a large payment to another country, it would be the same kind of difficulty, differing only in degree.

4894. Would it apply to the different parts of the same empire?—It does not seem to me that the cases are quite similar.

4895. Do you not think that in the event of a free trade between this country and China, and thus putting an end to the Company's monopoly, the active enterprise and eager competition of private individuals, would by degrees lead to the introduction into China of our manufactures upon a far more extended scale than exists at present?—I apprehend that nobody would send goods to India or to China, but with a view to obtain returns for them. I think that the capacity of those countries to yield returns to a profitable market is checked by the circumstance I have mentioned respecting remittances; but no doubt if the demands upon India could be reduced, or if the marketable returns from India could be increased, there would be greater facility for the sale of British manufactures.

4896. You have referred to the demands upon India for remittance to England; and although the Committee are now engaged in the China trade, this so blends India and China together, that the Committee wish to ask you whether you do not think that the resources of India might be vastly enlarged if British capital and British skill were applied to India more extensively than is the case at present?—I hardly feel myself competent to give an opinion upon a point of that kind. It certainly seems to be desirable, as far as possible, that the resources of India should be developed to the utmost extent that they can be, consistent with the securities and interests of the native inhabitants, towards whom it appears to me we owe an obligation paramount to every other consideration involved in this discussion.

4897. Referring to what you have said respecting the remittances from India, would not those remittances be effected with as much ease and advantage through private trade as through the Company's trade?—I would state as a matter of fact, that, upon a comparison of the Company's remittances since 1814, with the rates of exchange prevalent in India for bills upon England, the Company have gained a penny per rupee by effecting their remittances through trade as compared with the rate of private bills. Were it practicable to effect so large a remittance through private trade, the Committee will see that the private trader must cover his expense in making that remittance, and that he could never afford to give the Indian territory the advantage that the Company' profits now give to it of 2/3. 84. per Sicca rupee.

4898. From the advantages derivable to the British public by the results of free trade, might not means be found of enabling the Company to pay in England the India territorial charges?—It will be for the wisdom of Parliament to consider whether the *possible* advantage to this country of an open trade with China would compensate for the *certain* cost of making up to India the losses which it would sustain by the trade being thrown open.

4899. What would it lose?—It will lose that which it now gets from the Com-

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pany's commerce in the shape of exchange, and in the shape of direct contribution. The real deficiency of the Indian territory to pay the territorial charges, since 1814, has, to the best of my recollection, amounted to about 20,000,000 *l.* sterling; but the debt which the territory has been obliged to incur in consequence falls short of that by about 7,000,000 *l.* sterling, which has been made up by the commerce.

4900. Do you mean to say that 7,000,000 *l.* has been gained in commerce by the East India Company since 1814?—Upwards of 12,000,000 *l.* computing the accounts at the mercantile interest of the Board's rates of exchange; which latter rates are observed in the Company's accounts of profit and loss; so that what the territory gained in the shape of exchange does not appear in that account as profit, but merges in the prime cost.

4901. Do you mean that the Company has applied 12,000,000 *l.* of its commercial profits to territorial payments, besides the difference which is gained by the territory in the Board's exchange?—No; including that. I mean, that if the Company had been completely separated from the Indian territory, and had acted only as merchants, under the provisions of the law applicable to them in that character, they would now have been 12,000,000 *l.* richer than they are, and the territory would have been so much poorer.

4902. Of that 12,000,000 *l.* can you state what portion is China-trade?—I can only refer the Committee to the accounts they have upon their table.

4903. From all that you have stated in the evidence you have given, is not the conclusion inevitable that the public of this country are taxed for India; the only question being whether the amount shall be obtained by the East India Company through their monopoly, or by the Chancellor of the Exchequer directly?—I really am not prepared to say that the public of this country are taxed for India; but I am prepared to say that India does essentially depend upon the profits of the China-trade as administered by the Company.

4904. If the trade were thrown open, of course it would still be competent to the Company to trade with China; and if the possession of large capital and of all the other immense advantages arising from establishments already formed, and from influence in China obtained and fixed when there were no competitors, if all those and other advantages could not enable the Company to struggle successfully with private traders, is it not an obvious inference that the existing monopoly cannot fail to be injurious to the British empire?—I think that the Company's trading, and individuals trading in competition, might have effects mutually injurious without the country's being benefited. The Company might undoubtedly still trade, and those advantages which are enumerated in the question would afford them an apportunity, I conceive, of trading successfully in competition with private merchants; but of course their profits, if they had competitors, would be much less than they are now, and that decrease of profit would *pro tanto* prevent their ministering to the aid of the Indian territory.

4905. Would not that decrease of profit be for the benefit of the consumer of the tea in England?—If he got the tea cheaper.

4906. Would he not do so?—I am not prepared to say that he would, as that depends upon considerations applicable to the trade in China as well as in England.

4907. In the Statement which Mr. Rickards delivered in of the profits of the Company's tea-trade, and in your correction of it, in page 390, the Committee observe that the tale, in the computation of the prime cost of the tea, has been taken at 6 *s.* 8 *d.*; does not that include the loss at the Board's rate?—Yes, it does. The difference between the Board's and the mercantile rates forms a further deduction to be made from Mr. Rickards's result, if the object be to ascertain the real out-turn of the tea-trade in a commercial point of view.

4908. It has been stated to this Committee by Mr. Rickards, in answer to question 3790, that the balance deficient of the Company has increased since 1815, from 2,611,311 *l.* to 10,102,812 *l.*; is that statement correct?—An examination of the accounts to which Mr. Rickards refers will show that they are not confined to the Company's commerce, but that they embrace the whole of their affairs, territorial and commercial. It has never been denied that the debt of India has been increased considerably since 1814.

4909. In your answer to question 4375, page 389, you stated that in Mr. Rickards's account of the profits of the tea-trade he has included in his charges several items already included in the invoice-amount; will you specify what those charges

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charges are, and can you, if called upon, prove your statement by the production of an account?—Undoubtedly. The invoice cost of the tea comprises the freight of the outward consignments, and also what are called "the proportional charges" upon the homeward, with all the expenses incurred in China, and paid there.

4910. Will you explain the cause of the variation in the amount of freight and demurrage?—Mr. Rickards has taken the whole of the commercial freight disbursed within the year; whereas I have taken only that portion of the commercial freight which applies to the tea brought home, and included in Mr. Rickards's account. Mr. Rickards includes the freight applicable to the India as well as the China trade, and also the outward as well as the homeward freight from China; whereas the outward is comprised in the invoice cost.

4911. Will you furnish an account of the freight and other charges laid on the outward goods which ought not to be included in the account, but which Mr. Rickards, as you suppose, has included for the same years to which Mr. Rickards's Statement relates?—Such an account can be prepared, if the Committee desire it.

4912. Will you also explain why you credit the account with the sale to the amount of 27,975,041 lbs. while Mr. Rickards states it as only 25,492,001 lbs.?—The amount of 27,975,041 lbs. is the quantity of tea stated on the other side as having been imported, deducting only the Company's expenditure in wastage.

4913. The Committee observe, that you have re-credited the same charges for interest; will you explain why you have so done, for this item causes a material difference between the result of your statement and that of Mr. Rickards?—Mr. Rickards's account is professedly framed for the purpose of showing that there has not been a sufficient profit from the tea trade to pay the interest upon the bonds and the dividends to the proprietors. If that had not been his object, I could have understood how, looking at the Company's accounts merely as the accounts of merchants, he would consider that the interest was a proper charge; but as it is interest upon the Company's own capital, it is quite clear that, if exhibited as a charge, it must, in some way or other, be re-credited, and go to make a part of the fund from which the Company's dividend is paid, because that dividend must comprise interest for the use of the capital. Whatever may be the best mode, upon strictly mercantile principles, of making out an account of profit and loss, I apprehend that in the conduct of the Company's trade they unite the characters of capitalists, of traders, and of underwriters; and that in each of those characters they receive a gain of some sort. As capitalists, they receive the gain which every man receives from lending out his money at interest; as traders, they receive the profits of trade, deducting interest; and as underwriters, they receive the profits of their underwriting account. But when they are called upon to state their accounts of profit and loss, they are bound, I conceive, to state them in reference to the provisions of the Legislature, which appropriate to specific objects the whole of the Company's funds, from whatsoever source received. If therefore the Company stated interest as a charge, and did not re-credit it, their account would show a balance to that extent short of the fund which the law has declared to be appropriable.

4914. Have the Company any capital which is available for the purposes of trade?—Undoubtedly. I will read to the Committee a question put to the Accountant-General of the Company in the Committee of the House of Lords, and his answer. "Are you enabled to state the total amount of the commercial capital of the East India Company, appropriated to territorial purposes under the Act of the 53d George 3d.?—The total commercial capital of the Company abroad and at home on the 1st of May 1828 as to England, and the 1st of May 1827, as to India, was 21,731,869 *l.*"

4915. How does that appear?—The particulars are stated in the accounts of stock for compensation, which are before this Committee.

4916. Does that include the fixed capital as well as the floating capital?—It does.

4917. Upon that capital, as so stated, what is the clear mercantile profit?—I apprehend that can only be shown by the aggregate statement of the Company's commercial gains, including not merely their profits in trade, but also the interest of their funded property, and of the debt due to them by the Indian territory.

4918. Upon this capital of 21,731,869 *l.*, what is the clear net profit derived from all the trade of the Company in its different branches?—Such an account can

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be made out; but I presume, if the Committee wish to have it upon mercantile principles, we must take the mercantile rate of exchange, which we have never observed.

4919. Is the profit of the trade with India and China that derived from the employment of their commercial capital of 21,731,869 *l.*?—No; because all their commercial capital is not employed in that way. A part of their commercial capital is in the funds in the East India annuities, which produces a considerable income; a further part is on loan to the territory.

4920. Did not the accountant mean, in the statement you have read, the capital which the Company possess in their commercial character?—Clearly.

4921. In the statement of profit and loss on the trade between this country and India, it appears that in the year 1828–29 there was a loss of 531,812 *l.*; from what fund is that loss provided?—That is the result at the Board's rates. The question refers to the India trade, the accounts of which have not come under my notice.

4922. By an account before the Committee it appears, that the net loss upon the trade from India to China, in the year 1828–29, was 70,470 *l.* and upon the trade between India and England, 531,812 *l.*; and further it appears, that the net profit of the trade between England and China for the same year was 741,089 *l.* and the net profit to the North American colonies 13,796 *l.* making together 754,855 *l.*; now in the calculation of this profit upon the trade from China, was allowance made for the loss in the other two branches of trade, India and China and India and England, or ought that loss to be deducted from the net profit of the trade with China?—Allowance is made in the computation of the prime cost for so much of that loss as respects the outward trade from England and India to China, but it has nothing to do with the trade from England to India.

4923. Then, in order to show the general account of profit and loss, the Company ought to deduct profit and loss upon one trade from the profit on the other?—Except that, upon mercantile principles, there would be a large set-off upon that account by the difference between the Board's and the real rates of exchange.

4924. The Board's rates were settled in the year 1814?—They were.

4925. Are you not aware that for some years after that period the exchange was considerably higher than the rate at which the Board had settled it?—It was; but all computations of difference have been made upon the principle of debiting the commerce with the advantage in the years to which the Board's rates were lower, and the territory with that in which they were higher than the mercantile rates.

4926. Do you remember for what years the rate of exchange of that period was actually higher than the Board had fixed it at?—I think from 1814–15 up to 1819–20. In 1814–15 the rate was 2 *s.* 7½ *d.* per sicca rupee.

4927. In what year was it highest?—In 1816–17, and in 1818–19.

4928. Since when is it that the rate of exchange has fallen below the Board's rate?—1820–21 was the first year. It was then 2/2. 77.

4929. During the time the rate of exchange was higher than the Board's rate, were the Company deriving an advantage from their commerce?—They were; but in the computation of the result of the exchange transactions between the two branches, the commerce has been debited with the difference of exchange for the years in which the mercantile rates exceeded those prescribed by the Board.

4930. You stated in page 384, in answer to question 4337, "bills have certainly been drawn to some extent; the Company draw to small amount; the supercargoes, whose salaries are payable in England, occasionally draw. There must be ships-bills; and I have seen it stated in evidence before this Committee, that the Americans have lately raised funds in China, in that mode, though, if they continue to do so, instead of importing dollars, the exchange will soon be affected." Do you know when the practice of drawing those bills, on the part of the Americans, commenced?—No, I do not.

4931. Are you not aware that it commenced about the year 1818?—I was not aware of that.

4932. Do you know whether it has been increasing from that period, or otherwise?—I stated when I was examined before, that I had no information upon that subject, but what I derived from the evidence given before this Committee.

4933. Can you state what, according to the rate of exchange in the year 1828, was the price of the dollar at Canton at that period?—The Company were drawn upon in the year 1818, at 5 *s.* a dollar.

4934. Can

4934. Can you state what it was in 1826?—In 1826 the Company were drawn upon partly at 4 *s.* 6*d.*, and partly at 4 *s.* 3 *d.*

4935. In 1828?—In 1828, partly at 4 *s.* 2 *d.*, and partly at 4 *s.* 1 ½ *d.*

4936. In case it shall appear that the number of bills drawn by Americans has considerably increased in the latter period, will it not follow that it has not had the effect which is contemplated in your answer to that question?—It would be necessary, previously to coming to such conclusion, to know the state of the American trade, to see what quantity of dollars they have imported during that same period.

4937. You have stated that it was necessary, acting up to the tenor of the Commutation Act, that the Company should always keep a stock of tea on hand to the amount of one year's consumption; are you not aware that the obligation therein contained is of keeping such a stock of tea as, including the quantity ordered but not received, shall amount to one year's consumption?—I stated upon a former occasion that the Company have always construed that clause to mean, that they should have at all times at least a year's consumption in warehouse.

4938. Will you have the goodness to read the clause?—"That the said United Company shall from time to time send orders for the purchase of such quantities of tea, and provide sufficient ships to import the same, as, being added to the stock in their warehouses, and to the quantities ordered and not arrived, shall amount to a sufficient supply for the keeping a stock at least equal to one year's consumption, according to the sales of the last preceding year, always beforehand."

4939. Does not that stock include the quantity in the warehouse, as well as the quantity that has been ordered and not arrived?—In the Company's construction of that clause it includes only the quantity in warehouse.

4940. You have stated in your answer to question 4368 in what manner the Company regulate the quantity of tea which they put up at each sale, and you stated, as a proof that the market is abundantly supplied by the Company that large quantities have been rejected at every sale?—Lately.

4941. If the Company put up their teas at the real cost to them, and they put up such a quantity as to always have a portion rejected at that upset price, would it not necessarily follow from such a course that they never could make any profit upon their tea at all?—If the quantity rejected went to such an extent; but when I spoke of considerable quantities, I alluded to the rejection of a million of pounds weight at one particular sale. The object of the Company has been that of leading, by an abundant provision, to an increased consumption, rather than of supplying an increased demand after it should have been ascertained to exist; and I merely mentioned the fact of tea having been rejected as tending to show that the Company, far from starving trade, abundantly supplied the market.

4942. If they are regulated, as to the quantity put up for sale, by the circumstance of putting up until a portion is rejected by the buyers, does not that necessarily lead to the consequence that the portion that is sold must be sold at a price not exceeding the upset price; because if any portion is rejected by the buyers at the upset price, is not that a proof that any buyer might have provided himself at the upset price, and therefore, as a consequence, that no person can have given more than the upset price?—There can be no doubt that latterly it has occasionally occurred that the Company have not received the upset price for rejected teas; they have been put up at the following sale at no price, and they have not always received the upset price for them.

4943. Did you not mean the Committee to infer that that was the ordinary practice of the Company in regulating their supply for the demand?—No; I stated that the principle to which they look in determining what quantity to offer for sale is the amount of deliveries and the quantities sold at the previous sale.

4944. Is the Committee to understand, that the fact you have stated of large quantities having been rejected is merely an accidental fact, and that it is not to be taken into consideration with a view to judge of the circumstances which have regulated the Company in the quantity of tea they put up for sale?—Certainly; the Company, in the quantity put up for sale, look at actual deliveries and actual sales.

4945. But they do not regulate the quantity, so as to put up a portion of each quality that shall be actually rejected by the buyers?—Clearly not.

4946. Would not such a course be inconsistent with the possibility of making any profit?—When the Company declare tea for sale, they of course expect and hope that they shall sell all that they declare.

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4947. That being the case, and the Company looking to making a given profit upon their tea, is not that profit entirely regulated by the quantity that is put up?—I apprehend the Company never regulate or limit the quantity of tea with a view to making any certain amount of profit; without adverting to the question of amount of profit, they look only to the demand for the tea.

4948. Is not the profit that they look to making entirely dependent upon the quantity they may put up for sale?—The quantity they put up for sale must affect the rate of profit.

4949. What rate of profit do the Company look to in determining the quantity of pounds weight of tea that they put up for sale?—I must repeat that the Company never take into view the question of profit when they declare the amount to be sold.

4950. Do not they always determine to take it in if it was not sold at a certain price?—They are authorized by law to put it up at a certain price; and having ascertained that it will not fetch that, it is put up without price at another sale, and sold at what it will fetch.

4951. Supposing any given quantity of tea to be imported, say 10,000,000 of pounds, which would command a given price; are you not aware that if you put up 9,000,000 of pounds, you would create that sort of scarcity which would give you an increased price; and if you were to put up 11,000,000 of pounds, it would bring you either to your prime cost or to a loss; and, therefore, the price which the Company is to obtain, must depend entirely upon the proportion of the quantity put up to the demand and the consumption?—Undoubtedly.

4952. That being the case, do you suppose that the Company, in regulating the quantity to be put up for sale, do not do it with reference to some given profit, which they have made up their minds to be reasonable for them to receive?—I am sure that they do not.

4953. Do you suppose that the upset price has any thing to do with the price actually obtained at the sale?—I confess I think it has; but that is a question upon which there is a considerable difference of opinion. When there has been great competition, and the sale price has considerably exceeded the upset price, I know that some persons, who are well informed as to the sales, think the upset price has nothing to do with the sale price.

4954. For instance, a pound of tea that may sell for 3 *s.* whether you start the first price at 6 *d.* or at 2 *s.* 6 *d.*; can it make any difference in the result of the sale?—Certainly not.

4955. Therefore does the price paid for tea depend, in your opinion, upon the quantity put up, and not upon the upset price?—My own opinion is that they both affect it; that taking the whole sale into view, the upset price must affect the sale price.

4956. In what proportion does the quantity put up at one sale, with reference to the previous deliveries, exceed the quantity sold at the previous sales?—I am not aware of the precise proportion, but it is what would be called a *liberal* supply in reference to the past sale.

4957. Are you not bound by Act of Parliament to put up at least as much as the previous year's consumption amounts to?—I am not aware of any law of that kind.

4958. Is there any tea ever put up without a fixed price, except that which has been previously rejected?—I am not exactly prepared to answer that question.

4959. In your correction of Mr. Rickards's statement, it appears that he takes the salaries and emoluments at 95,653 *l.* the expenses in China at 54,735 *l.* amounting together to 150,388 *l.*; you take them at 82,140 *l.*; what is the reason of that difference?—That difference is the proportion of the expense which is incurred and paid in China, and which comes into the invoice cost of the teas. The invoice amount of the teas includes all the charges paid in China, therefore the effect of Mr. Rickards's entry is to state that charge twice.

4960. You stated that the Company always take into consideration the quantity of tea which the public seemed to require; must not the quantity which the public take off depend upon the price at which it is sold?—Yes; but the price at which it is sold depends upon the public competition for it at that sale.

4961. The Company being the sole sellers of tea, and having the experience of some years, are of course easily able to regulate themselves by the price and quantity that has been previously obtained?—I should think that it is the Company's

supply that has affected the price. I find that as the Company has increased their supply, the price has materially fallen, and I think that is apparent from the statements upon the Committee's table.

4962. Having the power of limiting the quantity to be sold, have they not also the power of commanding the upset-price?—If they have the power of limiting the quantity, it is a power which they have never thought of exercising.

4963. In answer to question 4359, you take the whole quantity of tea sold in 1829 to be 27 millions and a half of pounds, and you state that the price of the contract Congo in 1829 was 20. 03*d.* per pecul; is not that the highest price?—It was necessary for me, in examining Mr. Bates's calculation, to take the price which he assumed, 29 tales per pecul; and on reference to the prices actually paid by the Company, I find that the average price of contract Congo was within 140 decimals of 29 tales.

4964. Is not a great proportion of the tea very much inferior to the contract Congo?—Yes; but my answer was given to meet the hypothetical calculation of Mr. Bates.

4965. Are you aware of the quantity of opium which is sent at the present moment from India to China?—I know that it is very considerable.

4966. Are you aware of the fact of its having increased very much?—I believe it has; but at the same time that trade is subject to certain contingencies. The supercargoes have reported twice or three times during the present charter, that owing to some new exercise of rigour on the part either of the Emperor of China or of the local authorities, to check the contraband trade in opium, they have been unable to rely with confidence upon the proceeds of that opium for the supply of their treasury.

4967. Supposing that trade to have considerably increased, would it not thereby afford considerable facilities in carrying on the rest of the China trade?—The Company always take up two-thirds of their funds in China, by either bills upon India or consignments from thence; and therefore it can only affect, so far as the Company are concerned, the difference between that and the total amount of the prime cost.

4968. Are you acquainted with the present price of opium in China; has not it diminished in proportion to the increased quantity?—I am not acquainted with that fact.

4969. In answer to question 4356, relative to the difficulty of obtaining bills in Canton upon England, you stated that you would obtain the particulars there inquired after for the information of the Committee; have you obtained that information?—I have. In the year 1815–16, the supercargoes of China having occasion to draw 841,716 in dollars, opened their treasury in China for bills at the rate of 5 *s.* 6 *d.* a dollar, at which they obtained 391,823 dollars, they then increased the rate to 5 *s.* 9 *d.* at which they obtained 337,073, and they then further found it necessary to increase the rate to 6 *s.* at which they obtained 112,820 dollars, and they ultimately were obliged to get specie from Bengal.

4970. What was the first rate?—5 *s.* 6 *d.*, 5 *s.* 9 *d.*, and 6 *s.* So far as respects the question of facility for raising money in China for bills in England, I will read an extract of a secret letter from China, dated 28th January 1826, in which the supercargoes say "the great and sudden fall in the value of bills on England, and the absence of any distinct ground on which to infer that bills will in the next season recover their rate, lead us to hesitate in offering an opinion that so large a sum as 1,000,000 of dollars may be procured next winter by bills issued at any rate of exchange, equivalent to the cost of a remittance of dollars from London to Canton on account of the Company."

4971. What was the result in the following year?—In 1826 they drew 73,169 dollars, and 79,168 dollars.

4972. Were they able in the subsequent year to draw to the amount of 1,000,000 of dollars about which they expressed some doubt?—In the year 1827–28, they drew 1,700,000 dollars at 4 *s.* 3 *d.* the dollar.

4973. Were the fears anticipated in that letter actually realized?—It would appear not; but the apprehensions of the supercargoes probably arose from anticipating an interruption to the opium trade, which might or might not take place.

4974. Three years have since elapsed; has any other letter from the supercargoes been received expressing similar fears?—The supercargoes are not allowed now to

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draw upon England, and they have obtained their supplies by bills upon India, and by consignments from India and from England.

4975. Has there frequently been great difficulty in obtaining bills upon India at Canton?—There may have been. The supercargoes have sometimes felt difficulty in negociating their bills upon India.

4976. Has there been any other mode of remittance resorted to in consequence of that difficulty?—Yes; bullion has been exported from Canton to India.

4977. Would the rate of exchange show a difficulty of getting bills; has not the rate fallen from 4 *s.* 3 *d.* to 4 *s.*?—It would appear so from the Canton Register. I believe the quotation in that document of the low rate is accompanied by the observation "No Bills."

4978. If the East India Company in their trade with China think it necessary to employ all the different circuitous modes, which you have described, of maintaining the exchange in Canton, so as to bring the tale out, as you have stated, at 6 *s.* 8 *d.* to the Company; and if under that protection which the Company are giving to exchange, the foreigners are availing themselves of that circumstance to draw their bills so low as 5 *s.* 6 *d.* the tale, is it not clear that the Company are working for the benefit of the foreigners in that instance?—I could not arrive at any such conclusion by looking at the exchange in one year. No just conclusion can, I apprehend, be formed, but by looking at it upon the average of years; and upon the average I find that the Company's valuation has been less than that of the exchange rate at Canton, and therefore less than that at which a foreigner can draw.

Martis, 11° *die Maij*, 1830.

Mr. *John Kennedy* and Mr. *Hugh Hornby Birley*, called in; and Examined.

Mr. *John Kennedy* and Mr. *H. H. Birley*.
11 May 1830.

4979. [*To Mr. Kennedy.*]—YOU are a resident at Manchester?—I am.

4980. [*To Mr. Birley.*]—Where are you resident?—At Manchester.

4981. You were formerly the President of the Chamber of Commerce in Manchester?—I was.

4982. [*To Mr. Kennedy.*]—You are well acquainted with the spinning of cotton?—I am.

4983. How many years have you been engaged in it?—For nearly 46 years.

4984. Are you intimately acquainted with machinery?—For about 10 years I was employed entirely in learning to construct machinery for cotton spinning.

4985. Are you now engaged in the business?—I am not.

4986. Do you continue any researches upon the subject of machinery at present?—I do.

4987. Have you ever seen a printed statement prepared by the late Mr. Lee, of Manchester, in 1812, of the comparative cost of labour in producing yarn in Britain and in India?—I have.

4988. Did you assist in the preparation of that document?—I did, in part.

4989. With what view was that document prepared?—To show to a deputation that was in 1812 in London, upon the East India trade, the probability and the possibility of extending our trade in the export of yarn.

4990. Did the spinners in Manchester contemplate the possibility of being able to furnish the Indians with cotton yarn?—Some did.

4991. Did you yourself?—When the statement was made out, it was obvious to every one.

4992. Can you furnish the Committee with a copy of the paper to which you have alluded?—I can.

[*The witness delivered in the same, which was read, as follows:*]

(No. 1.)

To the Committee at Manchester, meeting to oppose the exclusive Trade of the East India Company.

Gentlemen,

THE general arguments against monopoly are so obvious, and have been so perspicuously treated by various eminent theoretical writers, as well as by the representations of practical persons, that it becomes principally important to us, to state such grounds of objection to that

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that of the East India Company, as peculiarly belong to our branch of business, and to present to the Legislature, concisely, the evidence of our claims to an unfettered trade to India.

The prominent and essential features of economy in the cotton manufacture, consist in the discoveries and improvements in spinning within the last 30 years, especially for the finer fabrics, in consequence of Mr. Crompton's invention of the mule; and by the introduction of the steam engine, upon Mr. Watt's principle, by which the moving power was brought to the population, and, consequently, the labour was collected in less time, and created with less expense.

In the year 1782, cotton twist, by Sir Richard Arkwright's invention, which was the precursor and parent of the subsequent improvements, exceeded the cost of the raw material 20 *s.* per pound for No. 60; it now exceeds it, by the mule, only 1 *s.* 6 *d.* per pound; and taking into consideration the depreciation in the value of money, it cannot be estimated at less than a reduction of from 20 *s.* to 9 *d.* per pound; an extraordinary and astonishing instance of skill and economy, superadded to the great advancement in both made previously by Sir Richard Arkwright.

In order to explain and to contrast the effects of British mechanism with the simple labour of India, I shall exhibit the relative productive power of each, and the cost of cotton yarns produced by each, comprehending that range of fineness chiefly required for the Eastern fabrics.

The quantity of mule spindles in Great Britain appears by actual survey to be—

4,200,000 producing a quantity of cotton yarn at least equal to that which can be spun in the same time by 4,200,000 persons in India; the wages of each are supposed at 2 *d.* per day; but in Britain.

70,000 persons would produce the same effect, by machinery, at 20 *d.* per day; consequently

1 person in Britain will be equal to

60 in India; but, in consequence of more expensive apparatus, and various contingencies, I will state that

1 person is equal to 40 in India;

40 × 2 *d.* = 6 *s.* 8 *d.* which is the value of labour for spinning in India, to correspond with that of one person in Britain, or as 6 *s.* 8 *d.* to 1 *s.* 8 *d.*

It is therefore evident, that one spinner by machinery, in Britain, will produce yarn at one fourth the price that it costs for the same quantity of workmanship in India, supposing the wages of the former to be 1 *s.* 8 *d.* and of the latter to be 2 *d.* per day.

The following Statement is a comparison of the cost of labour in producing yarns in Britain and India, for one pound weight, from No. 40 a' 250, and likewise of the value of the labour and material combined.

No.	Hanks Spun per Day in both per Spindle.	BRITISH.			INDIA.		
		Cotton.	Labour.	Cost.	Cotton.	Labour.	Cost.
		s. *d.*	*s.* *d.*	*s.* *d.*	*d.*	*s.* *d.*	*s.* *d.*
40	2 .00	1 6	1 –	2 6	3	3 4	3 7
60	1 .75	2 –	1 6	3 6	3½	5 8½	6 –
80	1 .50	2 2	2 2	4 4	4½	8 10½	9 3
100	1 .40	2 4	2 10	5 2	5	11 11	12 4
120	1 .25	2 6	3 6	6 –	5	16 –	16 5
150	1 .00	2 10	6 6	9 4	6	25 –	25 6
200	0 .75	3 4	16 8	20 –	6	44 7	45 1
250	0 .50	4 –	31 –	35 –	8	83 4	84 –

Though in every case in which there was the least uncertainty or doubt, the representation has been stated on the side favourable to the foreign cotton yarn, yet the result of this comparison is, that the same quantity and fineness is spun in Great Britain, by machinery, for about one fourth of the cost of labour for which it is produced in India by the hand, which nearly corresponds with the preceding calculation; and that, reckoning the mean price of cotton wool in Britain at 2 *s.* 6 *d.* and in India at 5 *d.* the cost of labour and materials united would be less, upon an average, than one half.

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It is, therefore, upon the basis of spinning, that the great abridgments of labour, and the consequent cheapness of the cotton manufacture, have been chiefly founded; and by which we shall be able to meet competition in the Eastern markets, either in yarns or in cloths, of which they form the principal constituent value.

Very important discoveries and improvements have, doubtless, been made in weaving, dyeing, printing and bleaching, and particularly for certain operations and descriptions of cloth; but taken in the gross, the amount will bear but an inferior proportion to the economy introduced by spinning, upon which both invention and exertion have been upon the rack for the last 30 years, and a real capital vested in building and machinery of from eight to ten millions sterling.

I remain, Gentlemen, your most obedient Servant,

Manchester, 15th April 1812. } *George Lee.*

4993. Was the paper you have now delivered in printed and widely circulated at the time?—It was.

4994. Was it printed for the purpose of being laid before the Committee then sitting upon the East India Company's affairs?—It was furnished for the deputation to do with it as they thought best.

4995. Has there been a great fall in the price of the raw material of the manufactures from the year 1812 to the year 1830?—It has fluctuated very much.

4996. Do you think there has been a gradual fall in the price of cotton since 1812?—Yes.

4997. Can you furnish the Committee with a comparison of the cost of labour in producing yarns in England and in India in 1812 and in 1830?—I can. I have a statement showing it by the pound, and I have also another statement of the comparative prices of a continuous thread a mile long, in the period of 1812, and at the present period, contrasted with the supposed cost of the same yarn spun in India.

[*The witness delivered in the same, which were read, as follows:*]

No. 2.—COMPARATIVE STATEMENT of the Prices of English and Indian Cotton Yarns, in the Years 1812 and 1830.

	ENGLISH COTTON YARN.								INDIAN COTTON YARN.			
	Hanks per day per Spindle.		Price of Cotton and Waste per lb.		Labour per lb.		Cost per lb.		Cost per lb.	Labour per lb.	Price of Cotton and Waste per lb.	Hanks per day per Spindle.
	1812.	1830.	1812.	1830.	1812.	1830.	1812.	1830.	1812 and 1830.	1812 and 1830.	1812 and 1830.	1812 and 1830.
No.			s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
40 -	2.	2. 75	1 6	– 7	1 –	– 7½	2 6	1 2½	3 7	3 4	– 3	2.
60 -	1. 75	2. 5	2 –	– 10	1 6	1 –½	3 6	1 10½	6 –	5 8½	– 3½	1. 75
80 -	1. 5	2.	2 2	– 11¼	2 2	1 7½	4 4	2 6¾	9 3	8 10½	– 4½	1. 5
100 -	1. 4	1. 8	2 4	1 1¾	2 10	2 2½	5 2	3 4¼	12 4	11 11	– 5	1. 4
120 -	1. 25	1. 65	2 6	1 4	3 6	2 8	6 –	4 –	16 5	16 –	– 5	1. 25
150 -	1.	1. 33	2 10	1 8	6 6	4 11	9 4	6 7	25 6	25 –	– 6	1.
200 -	– 75	– 9	3 4	3 –	16 8	11 6	20 –	14 6	45 1	44 7	– 6	– 75
250 -	– 5	– 6	4 –	3 8	31 –	24 6	35 –	28 2	84 –	83 4	– 8	– 5

N.B.—In 1812 and in 1830 the wages of labour in England are estimated at 20 *d.* per diem for every person employed, including men, women and children.

All expenses (as well interest on capital, fixed and floating, wear and tear, and depreciation consequent on new improvements, as wages) are included in the column showing the cost of labour.

No. 3.—COMPARATIVE PRICES of English and Indian Cotton Yarns, in the Years 1812 and 1830, reckoned per mile.

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	English Prices.		Indian Prices.	
	1812.	1830.	1812 & 1830.	
No.	*d.*	*d.*	*d.*	
40 - -	1 1/2	3/4	2 1/8	
60 - -	1 3/8	3/4	2 3/8	
80 - -	1 5/16	3/4	2 3/4	
100 - -	1 1/4	13/16	3	*Note.*—Two hanks of yarn are one mile *nearly*.
120 - -	1 3/16	13/16	3 1/4	
150 - -	1 1/2	1	4 1/16	
200 - -	2 3/8	1 3/4	5 3/8	
250 - -	3 3/8	2 3/4	8	

London, 6th May 1830. *John Kennedy.*

4998. Have you made any difference in the price of labour in India between the year 1812 and 1830?—No.

4999. Do you understand that there has been any difference?—Not that I ever heard of.

5000. How do you ascertain the cost of spinning in India?—We had the same apparatus to spin with in England, previous to the last 70 or 80 years, that they had in India; and I understand that in India they have the same machine still.

5001. Does this computation proceed upon any knowledge you have yourself upon the subject?—(*Mr. Birley.*) It was assumed in 1812, that an individual spinning with the hand would produce as much with a spindle as one of our spindles moved by machinery; and those who have observed the spinning of flax and wool and worsted by hand, feel quite certain that it is making an ample allowance. The object of Mr. Lee in preparing that statement has been rather to understate than to overstate.

5002. Are you yourself acquainted with the Indian machinery?—(*Mr. Kennedy.*) I have seen a great variety of models of Indian machinery for the purpose of preparing and spinning cotton in India.

5003. Do you make any difference in the price of the raw material in India between 1812 and 1830?—No.

5004. Have you any reason to believe that the prices are the same now as they were then?—The last price-current seems to correspond within a fraction, or nearly so, with what it was then.

5005. Has there ever been any improvement of the cotton exported from India to England since the year 1812?—I think not; the Surats have been better got up in some instances.

5006. From the calculations that were drawn up in 1812, you assumed the great probability of an extension of trade between India and England?—Certainly; I speak more particularly of yarn.

5007. Has that expectation been realized by the subsequent event?—It has. In 1812 there were nothing more than samples sent out, at that period amounting to a few hundred pounds weight; and the last returns I have seen are between 4,000,000 and 5,000,000 of pounds.

5008. Have you reason to believe that the result which has taken place with reference to India might equally apply to other parts of the East, if the trade were thrown open?—Whenever yarn is wanting I conceive that may take place.

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5009. Have you reason to believe that such yarn would be in request in the China market?—I am not at all acquainted with the China market.—(*Mr. Birley.*) There is no doubt of the fact.

5010. And perhaps also through the Eastern Archipelago?—Yes.

5011. Upon what grounds do you form that opinion?—From the circumstance of orders having been given and increased.

5012. Do you mean from China?—Yes; in the first instance a considerable error was committed as to the fineness of the yarn that was sent out; but there is no doubt that both from America and this country yarn has been sent to China. The East India Company, I believe, gave very large orders last year for China for yarn; at least it was so understood in Manchester.

5013. Do you know anything, of your own knowledge, of any American orders for cotton yarn for the China market?—By correspondence we do. The house of which I am a member had information from an American merchant that it was an article which might be sent out circuitously, and be extensively used in China.

5014. Have any long cloths of British manufacture been exported to India?—A great many cotton cloths, of about the quality which we understand to be long cloths, have been so sent out.

5015. Formerly were they not invariably imported from India for consumption here?—They were.

5016. For how long has that trade been going on?—Certainly from the time of the opening of the trade, if not previously.

5017. Has it been progressively going on?—Certainly it has been going on increasing: but for my own part, I contemplate rather supplying the Indian market with yarn than with manufactured goods in future.

5018. Do you consider the long cloths, sent out from this country to India, to be equal, in point of substance, solidity and duration, with the long cloths of that country?—I should rather apprehend not. Generally speaking, wherever we export cotton cloths, we have found it necessary to make a cheap article, to meet the wants and the ability of the purchasers.

5019. Do not you invariably obtain the preference upon the coast of Africa through Gibraltar?—Great quantities go through Gibraltar.

5020. Do not the Manchester long cloths now supersede the Indian long cloths in the Gibraltar market?—They are sold to a great extent. I have no establishment at Gibraltar, and therefore I cannot answer decidedly.

5021. What difficulty has the English manufacturer, according to the present state of the law, in sending his goods to any part of India?—I am not aware of any difficulty, excepting to China.

5022. Could not you find freight to send it to China?—Not directly.

5023. So that the only extension that could be given to the trade by law, is confined, in your opinion, to the opening of the China trade?—Yes.

5024. Can you suggest to the Committee any other alteration of the law, by which the exportation of goods to other parts of the Indian Seas could be improved?—I am not aware of any impediment.

5025. Are there any facilities that might be given, which do not now exist, for the introduction of British manufactures into the consumption of India?—I know no facilities which could be afforded unless it be by attention being bestowed upon the culture of certain productions of India, and by the opening of the China trade, so that we could get our returns more easily.

5026. Would it not afford you increased facility if you had agents, for instance, in the towns of British India?—There are houses of agency in certain parts of India. Increased facilities certainly might be expected to lead to more extensive demand.

5027. Is a ship of British register allowed to navigate from one port of India to the other?—I apprehend not.

5028. Would that be a facility?—Certainly, trading voyages would be very advantageous.

5029. Are there some facilities that might be given that do not now exist?—Certainly.

5030. Are you aware that some cotton imported from New South Wales has lately been sold at Liverpool?—I have heard so; I have seen it reported.

5031. Do you know the price at which it was sold?—I do not. I remember it was mentioned in our broker's letter.

5032. Was it the growth of New South Wales?—It was.

5033. Are you not of opinion that if returns could be got from the East, the trade carried

carried on between Great Britain and the East generally might be very largely increased?—Undoubtedly.

5034. Do you not conceive that the power of importing tea into this country on the part of the free trader would tend greatly to increase that trade?—Certainly.

5035. Must not you also have the demand as well as the returns?—I have no doubt of the demand.

5036. Do not you know that English manufactures, at the present instant, in India, are now selling below the prime cost?—There is not a market in the world which we do not sometimes overstock; but I always expect good to result from that.

5037. From the opening of the trade, has not that been almost constantly the case in India?—By no means; we had increasing orders for precisely the same qualities of goods for several years.

5038. Are not the cottons now furnished much cheaper at Manchester than they were at the time of the opening of the trade?—It is upon that that I ground the expectation of an increase in the demand.

5039. Do not you know that they are admitted at a very low duty in India, whereas the cottons of India are subject to a high duty here?—Certainly; I think it is a pity that those duties remain. That opinion was expressed about the time of the discussion as to the last renewal of the charter by a deputation from Manchester to the then Chancellor of the Exchequer.

5040. Do you know whether any cotton goods are sent to India with a view of being forwarded to China from India?—I cannot state that of my own knowledge.

5041. Are you acquainted with any imitations having been made of the Chinese patterns?—I have understood that orders are now in the course of execution for China, but whether it is by license from the Company, or how they are intended to go, I am not prepared to state.

James Cosmo Melvill, Esq. again called in; and Examined.

5042. ARE not the exchanges in China affected by the price of silver in England?—I apprehend it must have a proportionate effect.

5043. Taking all the circumstances you have stated into consideration, is not the rate by which the upset-price of the teas is calculated higher than that at which for the year it could have been realized?—It would be impossible for me to answer that question accurately, because I do not know what effect might have been produced upon the rates of exchange in China if the Company had increased their demand upon the Canton market for money in exchange for bills.

5044. Is it not considerably higher than that at which the foreigner could afford to supply the tea?—I am not aware that the foreigner can have any advantage over the Company in drawing upon England. The Company, by negotiating their bills in China, can certainly get as good an exchange as the foreigner.

5045. If the fact be, that the foreigner has actually realized his bills at 5*s.* 6*d.* the tale, is not that the case?—It would still, I submit, remain to be considered whether the Company's extensive transactions could have been conducted on the same scale. An individual merchant may obtain a single cargo at a favourable rate of exchange; but it does not follow that the whole trade of a country could be conducted at the same rate.

5046. Then the small trader has a benefit over a large Company?—It is possible that cases may arise in which a single trader derives a larger rate of benefit than has accrued in the aggregate of the large operations of the Company; but such cases, if they have occurred, show nothing more than that individuals, out of a great body of traders, may get more proportionate profit than arises in the mass of trade.

5047. Must not the rate of exchange, after all, depend upon the balance of exports and imports into the market of Canton?—As a general principle, undoubtedly. In the present instance the exchanges are affected by the balance of payments rather than the balance of trade India annually incurs a large debt to this country, which must be remitted through trade, and which is irrespective of any returns in the ordinary course of trade. The payment of that debt operates not merely on the exchanges of India, but also on those of China, a considerable portion of the amount being paid through China.

5048. Must not the Canton exchange be regulated by the balance between the values of the imports and exports at Canton, without reference to what the state of

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trade may be, or the state of political payments between England and India?—I think that the Canton exchange must be affected by the Indian exchange. A large portion of the balance of trade due from China to India is retained in China to pay the debt which, in the course of trade, England owes to China.

5049. If the result of the China trade, taken separately, were such as to make it necessary to send bullion for the payment of any balance, or if the state of that trade made it necessary to bring bullion from China for the balance, would not the rate of exchange depend upon that fact, without reference to the state of trade anywhere else?—It would then depend upon the cost of sending the bullion. I would here observe, that the balance of trade with China, so far as respects Europe, is greatly in favour of China.

5050. Must not the rate of exchange be determined by the payments both to England and to India?—Ordinarily the rate of exchange must be determined by that circumstance; but there cannot, I conceive, be a regular and free course of commercial exchange between this country and China, because the Company are the great exporters from China, and they cannot make those exports the medium of remittance for other persons, without interfering with the payments required to be made in England for the territorial purposes of India.

5051. Supposing 5 *s.* 6 *d.* per tale to have been the exchange at which the foreign trader is able to pass his bills; supposing the Company to have had no exclusive monopoly of the China trade at all, and to have nothing to do with it, and that the opium and the cotton and different articles had gone through a free trade; do not you suppose that the result of that free trade must still have left the value of the tale, by which the balance of the trade would have been regulated, at the rate of 5 *s.* 6 *d.*; that is to say, by whomsoever the trade was carried on, must it not have produced a given rate of exchange?—But supposing 5 *s.* 6 *d.* to have been the rate of exchange prevalent, I apprehend it would have greatly increased with the demand for money in exchange for bills.

5052. Must not the demand on the market for bills depend upon whether China has to pay a balance or to receive a balance?—That would certainly be the case. But the Company cannot grant the bills if demanded.

5053. If the free trader was to trade with China, and depend upon bills to obtain the tea, would not the whole freight be chargeable to the tea?—Undoubtedly.

5054. That being the case, would not that raise the value of the tale beyond the mere price in the market according to the exchange?—I apprehend it would. The Company's valuation of the tale includes the outward freight.

5055. Then there is no difference in that respect between the trade of the Company and the trade of a private trader, except that, from circumstances, the Company may be at a greater expense in point of freight?—I should think not.

5056. In furnishing the market here with tea, would there be any difference between the Company's furnishing it in the mode you have stated by bills, or the free traders furnishing it by bills, unless there be some difference in the freight?—Certainly not. The Company may negociate bills upon at least as good terms as the private trader.

5057. With respect to bullion would there be any difference?—None whatever.

5058. Then the calculation you have made with respect to the price at which the tale is made by the operations of the Company would not differ from that which it would be to the free trader, unless there be a difference with respect to the freight?—The value of the tale in the upset-price of the tea includes a portion of the outward freight, so that the real cost of the tale to the Company would appear less if all the freight were put upon the homeward cargo.

5059. Would not the difference of cost of the tea in England to the consumer, comparing it with the cost of the tea to the East India Company, and what would be the cost of the tea to the private trader, depend, first of all, upon the amount of profit which the Company as monopolists impose; secondly, upon the question of the proportion of freight between the Company and private traders; thirdly, upon the result of the outward investments of the parties; and, fourthly, upon whether the one or the other dealt most favourably with the Chinese in their purchases?—There can be no doubt that the price of tea paid to the Company, as compared with what might be paid to a private merchant, would depend upon the comparative advantage with which those parties bought the teas in China. Nor can there be any doubt that the result of the different modes of placing the tale in China, whether by the proceeds of bills or by consignments, must affect the price of tea in

England. With respect to profit, the Company exact no profit but that which the Commutation Act authorizes, and indeed they exact less, for the Commutation Act authorizes an advance of 1 *d.* per lb. and the Company offer to sell their tea at an advance of one farthing per lb. The rate of freight of course must affect the price of tea to the consumer, but the freights which the Company pay are occasioned by a legislative enactment, which regulates the taking up of their shipping, and from the operation of which they can only be exempted by Parliament itself.

5060. Have not you given an opinion, in an earlier part of your examination, that the profit to the Company must be regulated by the quantity of tea that they put up, and the proportion that quantity may bear to the demands of the consumption?—I have no doubt that the quantity put up must affect the price; but, as I have before stated to the Committee, the Company abundantly supply the market.

5061. If the Company choose to supply that consumption so abundantly as to sell it at the prime cost, could they very easily do so?—That would depend upon the competition of the buyers. If the Company chose to give away their tea I suppose they might do so.

5062. Must they not by Act of Parliament put it up at cost price?—All that they expose for sale they must put up at a price not exceeding prime cost, with the other charges specified in the Commutation Act.

5063. Therefore they cannot sell under prime cost?—Yes, I apprehend they can. The Act of Parliament merely precludes the Company from putting it up at more than the cost-price.

5064. Is it not true that the Company might, by regulating the quantity put up, produce any given price of tea from the price which you call the giving-away price, up to almost any amount of profit that they might put upon it?—I have no doubt that the Company might raise the price of tea by limiting the quantity exposed to sale; but that is a power which, if they possess it, they have never exercised.

5065. Having that power, do not you presume them to exercise it upon the calculation of giving themselves what they consider a reasonable profit?—I must again repeat to the Committee, what I know to be the fact, that in fixing the quantities to be put up for sale the Company never advert to the amount of profit that they expect to receive. They look only to the state of the market, and their object is to afford an abundant supply.

5066. Can you state what the per-centage of profit is, upon the average of any given number of years, upon the tea-trade?—From a calculation that has been made in consequence of Mr. Bates's computation, it would appear that supposing the tea to have been all contract Congo, (the species assumed by Mr. Bates,) the rate of profit beyond interest for the use of the capital amounted in 1829—30 to 12 per cent in the two years that the capital is locked up; that is 6 per cent per annum.

5067. Is that the result of two particular years?—It is the result only as applicable to contract Congo tea in the year 1829–30, and was ascertained solely for the purpose of meeting Mr. Bates's statement, which had reference to that kind of tea, and to that year.

5068. If the same calculation were made for a longer period, do you think it would widely differ from that?—I think the rate of profit would be much higher in former years. I will explain one or two of the particulars of the calculation. The Company offered to sell their contract Congo tea (and although that is the tea upon which this calculation was made, yet the result would, I believe, be nearly the same as to all kinds of tea, the profit on contract Congo in 1829–30 affording a fair average of the profit of teas upon the whole sale) at 2 *s.* 1 $\frac{1}{4}$*d.*; the upset-price was 2 *s.* 1 *d.*, and the farthing was the advance at which it would have been sold if no more had been bid. The price at which it was sold was 3 *d.* above that upset-price, which is 12 per cent, and the capital is locked up for two years.

5069. In the upset-price at which the tea is put up is not interest for capital included?—I before stated that the interest is included in the upset-price.

5070. Is not that a particular case that you have selected?—It is for a particular year, 1829–30, and the calculation is made with reference to a particular tea, the contract Congo. Both the year and the tea are those which were selected by Mr. Bates. The profit that the Company made in that year upon the contract tea is about the average profit that they then made upon all descriptions of tea.

5071. Was the profit in 1829–30 lower than in most other years?—It was much lower.

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5072. Lower than any other year?—I think it was lower than in 1828–29, but that was very low also.

5073. How do you calculate the capital of the Company employed in the tea-trade?—This is calculated upon the principle of taking the cost of the tea in China, all the charges upon that tea, the freight that is paid, and every thing that constitutes the upset-price and the aggregate cost, is the capital upon which interest is computed.

5074. Without selecting any particular year, be so good as to state to the Committee, upon the average of years, what has been the profit upon the cost price?—I have not the materials at present for stating it, but such an account can be furnished if the Committee desire it.

5075. On referring to the account of the upset-price at which the tea was put up in the year 1823, and the price at which it was sold, there appear to be these results: the putting-up price of Bohea in 1823 was 1 *s.* 6 *d.*, the sale-price 3 *s.* 6 *d.*; for Congo, the putting-up price was 2 *s.* 2 *d.*, the sale-price 2/6 $\frac{5}{10}$. There is another quality of Congo, which was 2 *s.* 4 *d.*, the sale-price 2/7 $\frac{8}{10}$. Of Twankay, the putting-up price was 2 *s.* 5 *d.*, the sale-price 3/5 $\frac{5}{10}$. Of Hyson skin, the putting-up price 2 *s.* 6 *d.*, the sale-price 3/5 $\frac{3}{10}$. Hyson, the putting-up price 4 *s.*, the sale-price 4/9 $\frac{8}{10}$. Were these prices in your contemplation when you gave your answer to a question lately put?—I believe I stated in my former answer that the calculation had reference to the sales of 1829–30, and that I was perfectly aware that in most of the earlier years there had been much greater profit.

5076. Could you furnish the Committee with a statement of the average profit for the whole period from 1814 to the present time?—Certainly, if the Committee wish it.

5077. In the year 1827–28, the prime cost of the tea is stated as 1,981,419 *l.*; are the Committee to understand that that is the prime cost of the tea to the Company?—I apprehend that that is the invoice-cost, and therefore it includes freight and charges upon the outward consignments.

5078. If the Company sold that tea so as to produce the exact sum of 1,981,419 *l.*, they would be neither gainers nor losers?—The prime cost in the statement showing that amount does not include interest or insurance. It is only in the upset-prices that these items are comprised as actual charges.

5079. What is meant by giving the Committee a paper in which this is stated as the prime cost if it does not include every thing?—I did not prepare that statement; but I have no doubt it was framed for the purpose of giving all the information that it was supposed to be the wish of the party who called for the account to obtain.

5080. Does it include every thing but interest?—It neither includes interest nor insurance, nor freight on the homeward consignment, nor charges of merchandise in England.

5081. If the Company had sold their teas for 1,981,419 *l.* they would have exactly cleared themselves, without either profit or loss, with the single exception of interest?—The freight upon the homeward investment is not included in that account.

5082. It appears that in the year 1828–29 the actual sale-amount was 3,286,272 *l.*; must not the difference between the one sum and the other be the amount of the profit of the India Company upon that adventure, always excepting the charge still to be made of interest?—The interest, the freight, and the ordinary commercial charges at home, such as are exhibited in the profit-and-loss accounts.

5083. Will you look at the account of profit and loss upon the trade of the East India Company for the last 10 years from China, and you will see that the total cost of the teas for 10 years was 25,681,320 *l.*; do you consider that to be a fair statement of the total cost of the teas to the Company?—Provided interest and insurance be added, which are not included in the profit-and-loss accounts, as they are not actual outgoings.

5084. So that if the Company had sold their teas for that precise sum of 25,681,320 *l.* they would have exactly cleared themselves, with the exception of interest and insurance?—Clearly.

5085. It appears by the same account that they did actually sell those teas for the amount of 35,960,064 *l.*, leaving a profit upon that transaction of 10,278,744 *l.*?—Clearly.

5086. Is not that, in roundnumbers, a profit of about 40 per cent?—It is.

5087. In

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5087. In what manner do you reconcile this account with the statement you have before given of the small amount of profit said to be derived by the Company?—I apprehend the charge of interest and insurance would make a great difference; but undoubtedly one of the principal causes is, that the Company, in common with other traders, have suffered a great diminution of profit. Their profits, as I before said, were much lower in 1829–30 than in former years.

5088. Does the first column of prime cost, calculated at 6*s.* 8*d.* per tale, include outward freight?—It does.

5089. You have stated in answer to question 4297, that all the Company's consignments and remittances to China are made entirely with a view to, and do in fact terminate in, supplying the treasury at Canton with funds for a provision of tea; are you aware that the principal object of British merchants, in the opening of the trade with India in 1814 down to 1818 inclusive, was to furnish funds to purchase Indian produce for shipment to Europe, in the same manner that it is now the object of the East India Company to furnish funds in China for their investments of tea; and are you further aware, that since 1818 down to the present time the nature of that trade to India has entirely changed, in consequence of the extensive demand for British manufactures in India, the purchase of Indian produce, in the place of being, as formerly, an object desirable as profitable investment, being now become a means of remittance?—The Company have the most convincing evidence of the increasing difficulty of finding the necessary means of remittance from India, caused in great measure by the demand of returns for exports to that country.

5090. Was it not from 1814 to 1818, and at all anterior periods, a difficulty of an opposite description; namely, a difficulty of creating funds in India to pay for the articles sent out?—Not from 1814 to 1818, so far as the Company were concerned. Their difficulty has been in obtaining remittances for the funds belonging to them in India.

5091. The question refers to private merchants?—I am not acquainted with the private trade; I know that bullion used to go to India in much greater quantity than it does now.

5092. Do not you know that now the difficulty is to find means of remittance from India, whereas before the opening of the trade, and for the first few years after that opening, with reference to the private merchant, the difficulty was to find the means of creating a fund in India for the payment of goods to be brought from that country to this?—I know that the difficulty now is the finding means of remittance from India; but I do not feel myself competent to say what difficulty of an opposite kind may have been experienced by private merchants.

5093. Do you not then think that, under those circumstances, if the monopoly of the Company's trade to China were discontinued the importation of tea into this country would soon assume the same character as the importations of cotton, foreign coffee, saltpetre, and other Indian products in the India trade?—I think there is a great difference between the trade with India and the trade with China. Whatever success may have attended the endeavour to export British manufactures to India, it by no means follows that the same result would attend a free trade to China, because the introduction, more extensively than at present, of such articles, would depend upon local regulations. We have controlled such regulations in India, and have thereby interfered with the native manufactures; but we could not exercise any such control in China.

5094. In point of fact, have not the Americans already, in their trade to China, in a great degree produced such a state of things; namely, a large importation of produce of other countries, and a consequent low price of tea?—I have heard that latterly the Americans have resorted to the practice of exporting British manufactures and produce to China; but I have only learnt that fact from the evidence given before this Committee. It had been my impression that the principal exports of the Americans to China were dollars; and I still think that, upon the whole, dollars have to them proved the most profitable mode of paying for their teas.

5095. Supposing the Chinese to manifest the same disposition to consume British manufactures, either from their cheapness or their superior quality, or from any other motive, which the natives of India have manifested since the opening of the trade to India, would not the same result probably arise in the interchange of commodities between the two countries; namely, a very great increase of the export trade of this country, and a greater demand in China for the produce of that

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country, attended with the lower price probably of the article?—It might have such an effect; but to the extent that it had, India would suffer by an abridgment of the means of remittance of that portion of the Indian revenues which is expended in this country.

5096. Assuming that the Chinese will consume our manufactures, do you think that if they do consume them they would not find a means of remittance in the increased supply of tea and other articles from China?—They must certainly give something in return for whatever they took from us; but that something would not augment the channel of remittance from India; besides which, how would the difference of exchange be made up to the Indian community, which they now derive from the profits of the Company's trade.

5097. Supposing the same supply of opium and other commodities to go from India to China, or supposing that supply to be increased, would there not be the same funds created as means of remittance?—There might be the same funds created as means of remittance, but they would not be applicable to the same object. The funds that are now created as a means of remittance to the Company, form the source from which they derive that profit from which the inhabitants of India now get a benefit, which they could not obtain in any other mode, unless directly from the people of England.

5098. Do you mean to state, that if 10,000,000 of dollars were raised in China by a quantity of opium sent from India to China, those 10,000,000 would not create a credit, out of which a remittance to that amount might be made to this country, whether by private trade or by the Company?—There can be no doubt of it; and the Company already avail themselves of that credit for the purchase of two thirds of their teas.

5099. You stated in your former evidence, that the average period that the Company's tea remains in their warehouses is 20 months, and that the charge of interest which the Company makes under the Commutation Act is for 18 months; and you further stated your opinion, that were the tea to remain in warehouse for a shorter period than 18 months, the provision of the Commutation Act, in sec. 5, would not be complied with: are you not of opinion, that the keeping of five or six months stock of tea in the Company's warehouses, added to the quantities ordered and not arrived, as stated in the statute, would have been a sufficient compliance with the intention of the Legislature; and would not the keeping of such stock have enabled the Company to supply the public with a cheaper and fresher supply of tea?—I am clearly of opinion, that if the Company had so reduced their supply, the Act would have been infringed. I have read the Act deliberately since yesterday, and considered it well; and it occurs to me, that to suppose that the Legislature meant that the Company should consider as on hand the quantity of tea ordered, but not in warehouse, is to assume that the Company might have their warehouses completely empty. I think the Legislature, looking at the uncertainty and liability to interruption, which, especially in early years, was felt to attach to the China-trade, must have intended to guard against the contingency of a failure of supply. And I would respectfully submit to this Committee, whether, supposing that, at the present moment, instead of the subject of discussion now before them, they were inquiring into an allegation that the Company had infringed the law, the China-trade being interrupted, and no tea being in the warehouse, the majority of men would hesitate to pronounce an opinion, that, under the Act in question, the Company were bound to do what they have done.

5100. Would not the intention of the Legislature, which was, that there should always be 12 months supply beforehand have been complied with, by having always six months supply in hand over and above the supply coming in?—I think it would not. The Act provides a minimum, and states the object to be that of having a stock always beforehand.

5101. Does it not frequently happen, in consequence of the present system, that the tea is sometimes two or three years in England before it is sold?—I think not. It is not within my department; but from what I have heard, I should suppose it has very rarely happened that tea has been so long as two years in warehouse. There may be cases in which tea, rejected at a sale, and then put up without price at the following sale, have been kept more than two years. The interest is never charged beyond the 18 months.

5102. In point of fact, at the last March sale, were there not teas put up and sold that were imported in March, April and May 1827?—I am not aware of the fact.

5103. Could

5103. Could you ascertain that?—Certainly.

5104. When you spoke of teas being rejected, you did not mean rejected for their quality, but rejected because the quantity is superabundant?—They are offered for sale at the upset-price, and nobody bids for them; but I cannot possibly say why individuals do not bid.

5105. Then they are put up again and sold without reserve?—Yes; and there have been instances in which teas rejected at one sale when put up at the upset-price, have been put up at the succeeding sale at no price, and have fetched more than the price at which they were first put up.

5106. Can you state to the Committee what reduction in the upset-prices of Bohea and Congo has been made by the Company in the 40 years which have elapsed from the year 1784, when the upset-price was fixed by the Commutation Act for the four first sales afterwards?—I cannot. I have seen such a document, but I have not got it by me; it can be furnished to the Committee for every year.

5107. Has the reduction in the upset price of tea since the year 1814 kept pace with the general reduction in the price of other articles of importarion from foreign countries?—My impression is that there has been a less reduction in the price of tea than on that of other articles, but that there had also been a less rise; I think there have been less violent fluctuations in the price of tea than in that of other commodities.

5108. In point of fact, whatever have been the circumstances and changes in the value of money or otherwise, that have so greatly lowered the price of all articles of foreign import, the price of tea has not lowered in the same proportion?—Perhaps not; but I think it would have, if the price had also risen in the same proportion.

5109. As far as the price was affected by the exchange and the value of money, must it not have risen in the same proportion, because the upset-price was always determined by the prime cost at Canton?—What I mean to say is, that so far as I am informed, the rise and fall in the prices of tea were not so considerable as in those of other articles.

5110. You have also stated that the profit was much larger at the period in question?—It was.

5111. Ought not then the upset-price to have fallen still more in consequence of the profit being so much reduced as it has since been?—The upset-price is not regulated by the profit.

5112. Does not the upset-price now include the lower rate of exchange, and the import-charges?—It does; the upset-price has doubtless been affected, and reduced by the reduction in the prices at which the Company provide their outward consignment to China, and by the reduction in the rates of exchange at which their bills have been negotiated.

5113. In point of fact, do you think that any other article of merchandise in general trade can be pointed out in which the reduction has been so inconsiderable as in tea since the year 1814?—I really am not sufficiently conversant with merchandise in general to be able to speak to that.

5114. You have stated that the sending of merchandise from India to China was an encouragement to the trade in one important article of Indian produce, namely, cotton; can you state what has been the loss to the Company on the average of 10 years, ending 1827-28, upon this branch of their trade?—The profit-and-loss accounts will probably show that, though they include sandal-wood as well as cotton.

5115. Admitting that that trade is one carried on at an average annual loss to the Company, do you not consider that the persevering in a trade which is attended by a yearly loss is more likely, by deranging the necessary relation between supply and demand, to prove a discouragement than an encouragement to the trade in any article of merchandise?—As a general principle, that may be correct.

5116. Do you think it is so in this particular case?—In that particular case the result is arrived at after adding the Company's freight.

5117. Are you not of opinion that in whatever degree there might exist an effective demand for cottons in the Chinese market, that demand would be naturally supplied by the merchants of India?—I have no doubt of that.

5118. Then is it desirable that the Company should waste their funds in such a trade?—They do not waste their funds, because the freight upon the ships must be incurred at any rate; and deducting that freight, which, but for being put upon the

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cotton, would come upon the tea, the Company, by their cotton transactions, realize the tale at a lower rate than they would by bills; and therefore, so far as the upset price of tea is concerned it is clear that the Company's consignments of cotton are advantageous.

5119. Although at one period they did realize a lower rate than by bills, would they do so now?—The last two or three years they would not; but upon the average of years they would.

5120. Supposing the same trade, to the same extent, to have been carried on by private individuals, would not imports be created in Canton to the same amount?—Yes; but the tale would be more highly valued, because the sending of cotton is one mode of reducing the expense of the freight upon the tea.

5121. Then, supposing the freights of the Company to be much higher than the freights of individuals, would not that affect it?—That would affect it, undoubtedly; but the Company's freights depend upon the law which regulates their shipping.

5122. You stated, in answer to questions 4326 and 4327, that the most disadvantageous mode which the Company could adopt of providing funds for the purchase of teas was by sending British manufactures to China; and further, that the Company have always been desirous, from policy, of exporting the produce and manufactures of this country to places to which they have an exclusive privilege of trading, and that they have felt themselves under something like a moral obligation to do so. Are you aware that, during the last 12 years the export of British manufactures by the Americans to China has greatly increased, whereas since the commencement of the present charter the export of the East India Company has diminished?—I have not by me the particulars of the American trade. I see, by the statements that have been submitted to this Committee there has been an increase in their exports of British manufactures, the amount of which, however, falls far short of the quantity exported by the Company.

5123. Has not the quantity exported by the Company been diminished?—I rather think that there has been no material decrease in the quantity; the value is of course less.

5124. Can you suppose that when the Americans have been increasing their exports they could be actuated by any other consideration than a view to their own interest?—I should think that no merchant would export goods that he did not expect to make a profit upon; but as to any comparison of the Company's exports with those of the Americans, it would be desirable to ascertain the result of the Company's consignments in the years 1828–29 and 1829–30. Information has been received, from which it may be inferred that the Company's consignments of those two seasons will prove one of the best modes of remittance that the Company have adopted; and it is not unlikely that some of the favourable statements which the Committee have received of the American exports may have reference to a later period than those yet made up of the Company's.

5125. In point of fact, you have stated that hitherto it has been the worst?—It has hitherto, upon an average of the years since 1814-15.

5126. Supposing it should turn out that the best mode which the Company can now resort to of creating funds in China is the export of British manufactures, whilst that export is also increasing through the channel of American commerce, would it not lead to the inference, that the Chinese are become more disposed to consume the manufactures of this country, and thereby to afford a greater facility to the extension of their trade?—The improvement has probably arisen from the low rate at which the goods have been purchased here. There can be no doubt, if the fact should be established that a profitable trade is carried on with China in British manufactures to a larger extent than used to be, and that such should continue to be the case, that that will show an increasing demand for them.

5127. Will not the benefit of that fact have been principally supplied by the enterprize of the American private trade?—I cannot say that I think the American trade has reference particularly to late periods. There has been a great depression of the prices of manufactured articles in this country, and I believe the profit upon them will in consequence be large this year, and that it has been large in the last year, but that will be the case with the Company's consignments, as well as with those of the Americans.

5128. If there should be a favourable result, should you attribute it to the fall of prices of British manufactures?—I should think principally. I would explain, upon the subject of British manufactures, that the chief loss which the Compan

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would appear to have sustained has been in articles made of *British* wool, and that the obligation under which the Company have felt themselves has been to protect that trade in particular. In articles made in England of *foreign* wool, the remittances have upon the whole been rather profitable than otherwise.

5129. You stated in answer to question 4330, that the insurance is charged by the Company at the rate of three per cent. It has been given in evidence to the Committee, that the ordinary rate of insurance for sea-risk on the voyage to or from India is from two to two and a half; and it is further stated, that the risk in the Company's ships is smaller than in any other class of vessels; does not the enhanced rate charged by the Company add to the upset-price of the teas?—I am satisfied, that if the Committee will be pleased to call for further information upon that subject, they will find that that which has been given in evidence is incorrect. I had an opportunity of conversing with one of the most experienced members of Lloyds, who has been there more than 40 years, and who states that he is prepared to give it in evidence to this Committee, that the ordinary rate for insurance at the present moment upon a Company's ship is three per cent out and three per cent home, that is six per cent for the whole voyage.

5130. What is the actual loss of the Company by sea-risk?—It is very inconsiderable indeed; I believe not above three quarters per cent.

5131. So that the difference between the three quarter per cent and the three per cent you consider to be the profit to them as underwriters?—Certainly.

5132. Do the Company always insure their own ships?—They are their own insurers in all cases.

5133. You have stated that there has been a greater fluctuation in the price of other articles of merchandise than in that of tea; do you give that answer after an examination of the facts of the case?—No, it is from what I have heard.

5134. Are you aware of the average price of pepper during the period in question?—I have no information upon that subject.

5135. Are you aware that a part of the fall in price of those articles arises from the circumstance of their being considered as a consignment from a foreign country, and the profit upon the whole transaction, including freight, falling in a great measure upon the outward cargo from this country?—I am not aware of that being the case; but it certainly would not do for the Company, if they are to meet the obligations imposed upon them, to import their teas without realizing any profit upon them.

5136. In answer to a question upon the subject of the export of British manufactures from this country to China, you made a distinction between the quantity and the value of those manufactures; and you stated that although the value of the Company's exports of that description had decreased, the quantities had not decreased; does not it appear by this account, that there has been a considerable decrease in the quantities—[*A printed Account being shown to the witness*]?—This account is made up only to 1827–28. In that year there was a decrease in woollens and an increase in metals.

5137. Is not the amount of the metals and other articles very inconsiderable, compared with that of the woollens?—It is.

5138. Do the Company charge three per cent on the export of bullion?—No; they do not.

5139. Are you not aware that bills on the Court of Directors and the Government of India, have for several years been in great request at Canton?—I dare say they have. I have no doubt that individuals in India would be very glad to avail themselves of that mode of remittance, if the treasury were regularly open for cash in exchange for bills.

5140. In fact, if there be such demand for bills at Canton, is it not probable that there would be less difficulty than you appeared to apprehend in providing so large a sum as two millions sterling?—I think two millions sterling is a large sum to provide; and I have seen nothing in the documents received from China which induces me to think that the supercargoes suppose that they could negotiate bills to that extent annually; at the same time, if the treasury were regularly open, no doubt a large sum would seek remittance to England in that mode, but that would interfere with the operation of the Company's system as prescribed by law.

5141. In point of fact, with the increased demand on the part of the Company, and with the greatly-increased demand on the part of the Americans and other foreigners trading to China, has not the exchange been regularly falling from 5 *s.* 6 *d.*

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to 3 *s.* 11 *d.* the dollar?—3 *s.* 11 *d.* is a rate I have seen quoted in the Canton Register; but I have seen against it "No bills."

5142. Has not it been affected by the price of silver in Europe;—That has affected it, no doubt.

5143. Do not the words "no bills" mean that at the price of 3 *s.* 11 *d.* or 4 *s.* there are no bills offered?—I think it really means that there are no persons ready to grant the bills.

5144. Then the fact is, that at Canton, at the date of this price-current, you might have the dollar for 3 *s.* 11 *d.* if you were disposed to give a credit upon London by a bill drawn upon London?—To some extent; but the low rate quoted may have been caused by no bills being obtainable. Had bills been offered, the rate might and probably would have risen.

5145. Then the exchange has fallen from 5 *s.* 6 *d.* to 3 *s.* 11 *d.*, notwithstanding an increased export of productions of China?—It has materially fallen.

5146. And this fund might have been created without producing any of those effects which you apprehended would arise from a demand for two millions sterling?—My apprehension as to a demand in China for two millions sterling was, that the Company, compelled as they are by law to secure the public from failure in the supply of tea, could not with safety trust to that mode only for obtaining their funds in China; and nothing that I have heard has tended to remove that apprehension.

5147. Are you aware that in 11 years, from 1817–18 to 1827–28, the value of Indian opium sold at Canton alone, without including other quantities deposited in the other parts of China, has increased from 2,951,100 Spanish dollars in the first of those years, to 11,243,496 in the last of those years?—I know that there has been a great increase in the price which opium has fetched in Canton; but I have understood that that price has greatly fallen, and that by the last accounts it was still decreasing.

5148. Are you also aware that the exports of Chinese merchandise have been far from keeping pace with this extraordinary increase of exportation of opium?—I am aware that there has been a remittance of bullion from China to India every year to pay the balance.

5149. Does not the large remittance of bullion from China to India to pay the balance explain the temporary falling off in the supply of opium from India to China; and does not it in fact show that the state of the trade now from China with other parts of the world is one in which they want the means of remittance, in order to pay for the great quantity of opium aad other articles that they consume?—It would appear that the Chinese cannot make returns in merchandise for all that they take.

5150. Then the result is, that in proportion to the consignments made of opium, and many of those other articles, there will be greatly extended facilities given to the Company, or any other parties trading with China, for making remittances to India, and from India to Europe?—To India, certainly; and the Company avail themselves of that resource to the extent of two thirds of what they want.

5151. Are you not of opinion that if the Chinese could find increased means of remittance they would consume a further quantity of opium and other goods from India and this country?—No doubt; but with respect to the opium trade, considerable uncertainty attaches to that, on account of the rigour that every now and then bursts out on the part of the government to check that contraband trade.

5152. When you see the consumption of one article increasing in the short space of ten years, five fold, is it not a strong presumption that that increase is likely to be still more extended, if it be not interfered with by some over-ruling authority?—It may in that period have reached its maximum.

5153. Can you state the amount of dollars and silver that were remitted to Bengal in the year 1828?—Such an account has been prepared, but I have not got it.

5154. In point of fact, did it exceed 5,000,000 of dollars?—I am not aware.

5155. Have you seen the price current in the Canton Register of the 26th of February 1828?—I have not.

5156. Are you aware that in the price-current it is stated, that the export from Canton to India for the season 1827–28 amounts in bullion to 5,667,979 Spanish dollars?—I am not aware of that fact, but I have no reason to doubt it.

5157. And that besides, the Company's Factory drew bills on the government of India to the extent of 1,700,000 Spanish dollars?—Very probably that was the case.

5158. Have

5158. Have you seen the Chinese price-current of the 4th of February 1828?—No.

5159. Then you are not aware that it states that the exports of bullion this season have been to a very large amount, and that in consequence of the low rates of exchange many had been induced to make their returns to India and Europe in metals, iron, lead and steel, to the extent to which they were procurable?—I certainly was not aware that there was such proof of the difficulty of effecting returns from China to Europe.

5160. Does not this fact show that there is a very great change in the trade with China, namely, that, apparently, the Chinese are embarrassed to find remittances in payment of the articles which they consume from India and from Europe?—It would undoubtedly show great difficulty in making returns.

5161. Especially too if they have been driven to the necessity of sending goods imported from Europe to market as a means of payment?—Clearly. I certainly was not before aware that goods imported into China from Europe had been re-exported.

5162. Does not the difficulty of remittance from China to India equally apply to other parts of the world; because, if the remittance be made through India, it would equally extend to other parts of the world?—It would.

5163. Would not the cheaper price of tea, inducing a great increase of consumption in this country, afford the Chinese the facility for a greater remittance than they now have?—It would undoubtedly give them a greater remittance.

5164. Suppose, for instance, that instead of 30,000,000 we consume 60,000,000 lbs. of tea, would not the Chinese have the means of paying for a greatly increased quantity of European merchandise, or of the produce of India, which ever suited their taste to consume?—Undoubtedly; but if the larger quantity of tea were sold to the consumers only for the same sum that is now given for the smaller quantity, there would be no more than there now is to expend in British manufactures.

5165. If there is double the quantity of tea sold, will not that give them a double power of consumption?—The more the Chinese can give, the more they can take in return.

5166. The Committee called for a return of any accounts or estimates which have been transmitted to the Lords of the Treasury under the Commutation Act, showing the sales made, the quantities put up to sale, and the prices and other particulars referred to in that Act for the last five years; the answer to that requisition has been, that no such accounts have been sent to the Treasury; are you of opinion, looking at the 5th section of the Commutation Act, that it does not require such accounts?—That clause has always been construed to mean that the Lords of the Treasury were to have these accounts when they required them.

5167. Is that the construction that the words imply?—I think it was at least as obligatory upon the Lords of the Treasury to call for the accounts as upon the Court to furnish them.

5168. The words are, "That the said United Company shall from time to time lay before the Lord High Treasurer, or the Commissioners of the Treasury, copies of the accounts and estimates upon which such orders for importation, or prices for sales, or quantities put up to sale, shall be grounded, whenever such orders shall be sent out, or as often as they shall be called upon for the same by the said Lord High Treasurer, or the Lords of the Treasury." Is not the natural construction of those words, that those accounts are to be regularly sent whenever those transactions take place?—That would have been my construction, if the word had been *and* instead of *or*, but there is an option given. The last clause would not have been necessary if the first had been imperative.

5169. Does the East India Company, insuring itself, pay any duty to the Stamp-office for their insurances?—None at all. The Company do not insure.

5170. You stated yesterday, that if the trade to China were thrown open, and the Company continued to carry it on in competition with the private trade, you thought, with all the advantages they possessed in starting, they might continue that competition: have the Company, with all the advantages they possessed at the opening the trade with India in 1814, been able to sustain their competition with the private traders?—With respect to that, I stated yesterday that the Company's trade from India since 1814–15 had realized to them a better remittance than the bills of private merchants; and I would now state, that the Company have been and are compelled to make the trade of India a trade of remittance. They must bring the rupee home from the government of India, and get what they can for it;

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I cannot therefore look upon the Indian trade as one that the Company can conduct upon mere mercantile principles; besides which, in judging of the results of the Company's Indian trade, the Committee will not fail to bear in mind that the accounts include the loss by the Board's rates of exchange.

5171. Have they made a profit independently of that arbitrary valuation of the rupee?—I think that upon the average, since 1814–15, if the accounts were made up at the mercantile rates, it would appear that the Company had made a profit upon the Indian trade. In some of the earlier years they made a very large profit. The account upon the Committee's table embraces only 10 years; if they will call for an account for the whole period since 1814–15, I think they will perceive a much more favourable result.

5172. Supposing the exclusive trade with China were taken away from the East India Company, but that they still continued to carry on that trade as a Company; and supposing that by throwing open the trade it was considerably more divided than it has been, would not the increased competition in the China market give an opportunity to the Chinese to raise the general prices of their tea?—I have no doubt that it would do so; and I think that an opinion to that effect has been given in evidence before this Committee by persons who are conversant with the Chinese character and the Canton market.

5173. Supposing the Indian products were considerably improved in quality, and produced in a larger quantity in India, would not that tend greatly to obviate the difficulties which you now find in obtaining remittances from the East?—If you can find a market for them, a profitable extension of exports from India is in my humble judgment an object the attainment of which is most desirable.

5174. Would not cotton constitute ~~a considerable~~ portion of these remittances under the circumstances supposed?—It might.

5175. Would not there a market be found for that cotton?—The cotton of India comes into competition with Egyptian cotton, and other cottons which, although as cheap in their production, are probably superior to it in many respects.

5176. Do not you think the staple of the cotton might be considerably improved, so as to make it equal to other cottons?—I think it is very much to be desired that every practical improvement should be effected.

5177. Have not the Court of Directors taken special pains in directing the attention of the Government to that subject?—They have.

Jovis, 13° *die Maij*, 1830.

Robert Rickards, Esq. again called in; and Examined.

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5178. HAVE you had an opportunity of examining the Statements delivered in to this Committee by Mr. Melvill, and his observations on the Statements laid by you before this Committee?—I have examined them as far as the leisure I could devote to it would admit.

5179. Will you turn to question 4359 of Mr. Melvill's evidence, which relates principally to the prices of tea, and state what observations you have to make upon his answer respecting the price being charged too low by you?—Mr. Melvill, in his remarks upon my Statement, seems to think that I have taken the price of tea in China at too low a rate. He says, "Mr. Rickards computes the prime cost of tea in the coin of China very far below what is taken either by Mr. Bates or Mr. Thornely, and so far below what is actually paid by the Company, that I cannot imagine that the Company could have obtained teas at the prices computed by Mr. Rickards without a deterioration in quality." The prices included in the Statement I delivered to the Committee in my answer 3454, p. 273, to show at what rate a private merchant could import tea into this country at a profit, are the prices, I presume, to which Mr. Melvill alludes. Those prices may be lower than the Company's, but they are the prices at which private merchants and individuals are constantly in the habit of purchasing their teas in China, and even at a lower rate. It is very certain that whenever the Company go into the market to purchase any commodity, prices rise; and this appears in the present instance to be the case, as the China price-currents will show; for in every year, from the month of October to the month of January, the period of the Company's ships being in China, prices are at the highest; after that they fall. I have a price-current which states, in the month of May 1829, the price

price of Congo tea (the chief article of import) to be from 18 to 20 tales per pecul. Private merchants profess to be in the habit of purchasing equally good tea at 18 tales per pecul with that of the Company, which is charged at 26 tales per pecul. I have taken it in my Statement at the medium between 18 and 26, namely 22 tales per pecul, deeming it a fair rate for such a Statement as that which I submitted to the Committee in my answer 3454. p. 273, and which I take to be the Statement here referred to.

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5180. You are speaking of corresponding qualities, of course?—I am speaking of a corresponding quality; because I have repeatedly heard of tea which has been purchased in China at 18 tales per pecul selling here at the same rate, and sometimes higher than the Company's tea of the same denomination.

5181. Have you heard, or are you able to assign any reason why private merchants should be able to purchase their tea on better terms than the Company do?—Private merchants will always make better bargains than the Company's agents can; and, as far as my observation goes, their purchases are generally made at the rate I now mentioned; I believe the Americans do the same. In what is called the season, that is from October to January, when the Company are in the market, and when their ships are loading for Europe, the teas are, as before observed, quoted invariably in the Canton price-currents at much higher prices than they are the rest of the year; Congo, for example, is generally quoted at 26 tales per pecul, and immediately after the season closes it falls to from 18 to 20, and so continues for the remainder of the year. After the season closes, the tea is commonly denominated old tea, in contradistinction to the tea purchased during the season, which is called new tea; but the old tea is, generally speaking, fully as good as what is denominated new tea, or as that exposed at the Company's sales; and for this simple reason, viz. that although it might be somewhat older tea in China than the Company's when purchased, yet when it comes to this country in the privilege of the commanders and officers of the Company's ships, it is sold immediately on arrival, whereas the Company's tea is kept, according to Mr. Melvill's Statement, upon an average, 20 months in warehouse before sale; therefore the Company's tea, when sold, must be fully as old, or perhaps older, than what is called old tea purchased by the Company's officers in China.

5182. Are the Committee to understand that during the large purchases made by the Company in the few months of the year the prices are raised by that demand?—The price-currents of China invariably show a rise at that period.

5183. Are you able, from any of the documents on the table of the Committee, to state the relative sale-prices in England of the private-trade tea, and of the tea sold by the Company, taking the Congo as an example?—According to the Account, No. 15, in Paper 6 of the Papers delivered in to the Committee in 1830, it appears that the price of the Company's Congo tea at the June sale of 1823 was 2/7 $\frac{3}{10}$, the private-trade tea in the same sale sold for 3/8 $\frac{4}{10}$; in the Congo tea there is a difference throughout the whole of those sales, from the cursory view I now take of it, rather, I should think, in favour of the private trade, though I do not perceive any instance of so great a difference as in this June sale.

5184. You are aware that the Company purchase a large portion of their tea by contract made with the tea merchants previous to the season?—Yes.

5185. Have the officers of the Company's ships any other means of purchasing than going into the public market the same as foreigners?—No other that I am aware of.

5186. Therefore none of the private-trade tea can be contract-tea?—I am not aware how private traders make their bargains on all occasions. Some of the purchases made by private individuals are, as I understand, taken from the Hong, and some from the outside merchants. I do not myself know of any contracts entered into by individuals similar to those of the East India Company.

5187. And although the tea belonging to the officers of the Company's ships is not contract-tea, yet by the sale-prices you have stated it sells in England at a higher price than the Company's tea?—So it appears on some occasions, at least by this statement.

5188. Are you able, from any communication with officers who have been at Canton, to state whether the prices they pay for their tea are higher or lower generally than those quoted in the price-currents, or stated by the Company to be their

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average price?—They are almost invariably, I believe, lower than the prices quoted in the Canton price-currents between the months of October and January in each year.

5189. Will you look at some of the other years, and see whether the private-trade tea sells at prices above or below the Company's sale-prices?—In the June sale of 1824 the Company's Congo sold at 2/6 a pound, and the private-trade tea at 2/10. In 1825 the Company's Congo sold at 2/5 $\frac{3}{10}$, and the private-trade tea at 2/8 $\frac{6}{10}$. In June 1826 the Company's Congo is quoted at 2/2 $\frac{7}{10}$ and 2/4 $\frac{9}{10}$, and the private-trade tea at 2/1 $\frac{6}{10}$.

5190. Will you state the result in December 1826?—In the December sales 1826 the Company's Congo is quoted at 2/2 $\frac{7}{10}$ and 2/5 $\frac{7}{10}$, and the private-trade tea at 2/3 $\frac{7}{10}$.

5191. Are you able, by looking at those accounts of sales of tea in this country, both Company's and private trade tea, to say whether, on an average, the private-trade tea sells at an inferior price to that of the Company?—I have not made any calculation founded upon this account, as to the average price of the tea sold by the Company and that sold by private individuals; but, on a cursory view of this document, it appears to me that what I before stated, in answer to the questions that have been put to me on this subject, is confirmed, and that the private-trade tea, upon the average, sells at as fair a price as the Company's tea in this market, and in some instances it has been found to sell higher.

5192. Do you mean relatively to its quality?—I have given my reasons for presuming that the quality of the private-trade tea is not inferior to that of the Company.

5193. Are the Committee then to conclude that the evidence given by you at your first examination, as to the prices of tea, is fully borne out by these documents before the Committee, and by the information from private merchants, and is not erroneous, as stated in Mr. Melvill's evidence?—It is fully borne out by the documents which I have referred to, including the Canton price-currents, as far as regards the prices I have inserted in the Statement delivered in in answer to question 3454, and contained in page 273 of the Evidence.

5194. When you state that the private-trade tea is sold at the same rates upon the average as the Company's tea, do you mean to abide by what you first said, that it was sold at a higher rate; because you set out by referring to a particular year, in which you showed a great discrepancy, which discrepancy does not exist upon the whole average of years?—I referred, in the first instance, to the June sale of 1823, because it was the first column in this account which I was directed to examine and quote. In cursorily looking over the remaining sales, which are very numerous in this paper, it appeared to me that the average price of the private-trade tea was upon the whole as high, and sometimes higher than the Company's; as, for example, in 1827, in the June sale, the Company's Congo sold at 2/3 $\frac{7}{10}$ and 2/4 $\frac{8}{10}$, while the private-trade tea sold at 2/4 $\frac{6}{10}$. There are certainly variations in the different sales contained in this account; but on the whole I do not see any thing that materially affects the evidence I have given on the subject of prices.

5195. Do you think upon the average they sell for nearly the same?—It appears by this document that they do.

5196. You have stated that the sales at the India House, in general, have produced as good a price of the tea belonging to private trade as that belonging to the Company; will you be so good as to state to the Committee whether the tea purchased by officers belonging to the Company in China, and sold at the India House, is the same quality of tea which is bought by foreign traders in China?—I cannot pretend to say what the exact quality of the tea sold at the India House is, having never examined it, it not being in my way to deal in tea in any respect; but I have given reasons in the former part of my examination for presuming that the tea purchased in China, and sold by the Company's officers in this country, is of an equal quality with that put up at the Company's sales on their own account.

5197. Is it purchased in China at rates very much the same as those given by foreign traders?—I do not know what the Americans purchase their teas at. I can only judge from the regular course of the price-currents which I have quoted; and accordingly infer, that if British private traders can purchase tea at 18 to 20 tales per pecul, Americans may do the same.

5198. Is

5198. Is not then the inference from your answer, that the teas sold at the India House of the private trade must be equal to the teas purchased by the India Company?—I presume that they are equal, for the reasons I have already given.

5199. Can you state to the Committee whether the teas purchased in China by Americans and other traders are of the same quality as those purchased by the officers of the Company?—I have no precise knowledge of the quality of the tea purchased by Americans; but I have always had reason to suppose that the American teas purchased in China were of as good quality as those commonly sold in this country.

5200. Then if the fact were that the teas purchased by the Americans and others in China were of an inferior quality, would the Statement which you have made to the Committee, of the prices which have been obtained at the India House for the teas of the private trade be any regulation to the Committee in forming their opinion?—I do not believe that the teas sold in America are inferior to those sold in this country; for I have generally understood, from persons who have visited America, that they have drunk better tea in America than they have done in this country.

5201. If the price which the private-trade tea bears in England, as compared with the price of the Company's tea, is any criterion of the comparative quality of the private-trade tea, would not also the price of the tea bought in China by the private trade, compared with the tea bought by foreigners in China, also lead to a conclusion as to the comparative quality of those teas?—I have no precise knowledge of American prices compared with the quality of their teas. I only know that during the season, which extends from October to January in each year, the tea is invariably higher, from 20 to 30 per cent, than during any other portion of the year; and therefore the teas of the same quality, Congo, for example, that costs, during the season 26 tales per pecul, will sell for 18 and 20 tales per pecul after the season is closed. If, therefore, one merchant can get it at this rate, I presume another can do the same.

5202. Is not that tea which is bought in the private trade in China, and which sells in this country at a price in many instances higher than the tea of the Company, very often tea which passes under the denomination of old tea?—Yes, it is.

5203. Do not the persons entitled to the private trade purchase their teas in China at the reduced price which ensues after the Company's purchases?—I have understood that they purchase some portion of it, whilst some purchase the whole at the reduced price.

5204. May it not be presumed that much of the private-trade tea is of that description?—I am not prepared to say that the greater part of it is old tea.

5205. Do you conceive that the captains of the Company's ships buy generally what is called the old tea, or not?—Yes, they do, very often.

5206. Is it not probable, as the ships sail in December, that the captains of the Company's ships buy their tea at the same time that the Company does?—That does not always follow; because the captains and officers of the Company's ships may have correspondents in China; agents whom they can authorize to purchase teas for them when the tea is at the cheapest rate.

5207. If a foreigner at Canton purchases a quantity of tea at the same rate as a person in the privileged trade, does not the presumption arise that the qualities of those two portions of tea are equal?—Clearly.

5208. If a person in the privileged trade sells the tea which is so bought at a price equal to the price which the Company gets for its tea, is not it also a presumption that the tea which that privileged person sells is of as good a quality as that of the Company?—Clearly; it may be so presumed.

5209. Does not that lead to the inference, that the tea bought by the foreigner in Canton is of as good a quality as the tea sold by the Company in England?—I have always understood that the American tea is of equal quality, and sometimes superior.

5210. Is not that estimate of the qualities of the different teas an inference drawn from the prices which they respectively fetch at the Company's sales?—It is certainly a fair inference.

5211. You have stated that old tea is sold cheaper than the new tea in the Canton market; by the old tea is it meant tea that has been kept for a year, or only tea that has been kept over the period of the winter sales?—Only the tea that has been

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kept over the period of the winter sales. When the season closes, the tea is invariably called old tea, and sold as such, though only a month older than the other.

5212. Have you ever been in China?—Yes.

5213. From what source do you obtain your information as to the price at which the privileged tea is bought?—From various officers and pursers whom I have spoken to upon the subject in the city, and who have invariably given me the same information which I now submit to the Committee.

5214. Have you not had the sale of some tea?—Yes; some of the last season passed through our hands.

5215. Do the officers in the private trade invariably make their investments in tea at a period subsequent to the Company?—They have the means of corresponding with agents in China, and have therefore the means of making their purchases previous to their arrival, or before the season commences.

5216. Then the officers of the Company pursue the same custom that the Company do themselves, of making contracts for the teas previous to their being shipped?—They enter into engagements with the private merchants in Canton; but as to making regular contracts, I do not understand that they pursue the same course in that respect that the Company does.

5217. If they make engagements, would not those engagements fix the price?—Of course they will.

5218. What effect could the purchases of the officers of the Company have upon the market of China after the teas which they have engaged for are furnished to them?—The effect produced on the China market by the purchases of tea will of course be limited by the extent of those operations.

5219. In answer to question 4359, Mr. Melvill has stated, that on examining the calculations that have been given in by you, Mr. Bates and Mr. Thornely, he finds, "that one fallacy attends most of them, taking the valuation of the tale according to the rate of exchange at the period of unusual depression;" will you state how far that objection taken by Mr. Melvill applies as to your Statements?—Confining myself again to the statement included in my answer 3454, p. 273, I have taken the value of the tale at 5 *s.* 6 *d.* and the value of the dollar at 4 *s.*; now when the dollar is at 4 *s.* the sterling value of the tale will be found by a simple rule to be what I have stated, 5 *s.* 6 *d.* and a small fraction. It is the rate which I have adopted in this Statement, because I know that dollars can be procured in China at that exchange. I have myself placed many thousand pounds sterling in China at a lower rate per dollar than 4 *s.*; and I know that private bills have been received in this country drawn at the rate of 3 *s.* 10 *d.* and 3 *s.* 11 *d.* per Spanish dollar at six months sight; I therefore maintain that I am perfectly correct in respect to the prices which I have adopted in this Statement, as well as in regard to the rate of exchange. I beg leave to add, in regard to the other Statements which I delivered in, that they have no reference whatever to the rates of exchange, as I before stated in my first examination upon this subject. I took out of official documents the cost in pounds sterling, which I found there stated as the prime cost of the tea; and I considered that to be the actual cost to the East India Company, without any reference to the rate of exchange between tales and sterling money.

5220. Was the exchange of 3 *s.* 10 *d.* to which you have alluded, established by direct draft from Canton upon England?—By direct draft.

5221. Would you rely upon such an exchange for the whole purchase of tea, if the quantity was as large as that which the Company requires?—It would depend upon the intercourse between China and this country; if the intercourse were extended, and there was a great number of bills in the market, the exchange would of course rise.

5222. By a Statement laid before this Committee from the East India House, it appears that, in the year 1827–8, the rate of exchange per dollar was 4 *s.* 1½ *d.* for six months, the sum drawn for appearing to be 16,129 *l.*; can you state what has been the rate of exchange by bills from private merchants in that year?—I cannot, precisely, without a reference to documents which I have not at hand. As nearly as I can now recollect, the private bills before referred to were dated the latter end of the year 1828. They were drawn on a merchant in the city at 3 *s.* 10 *d.* or 3 *s.* 11 *d.* at the utmost. This too is the prevailing rate of exchange now quoted in China, and has been for some years past, I believe.

5223. It appears also by the same account that, in the year 1828–29, the rate of exchange for the dollar was 4 *s.* 2 *d.* and that 35,791 *l.* is the total amount of bills

bills drawn by the select committee at Canton on England; does the observation you made respecting the rate of exchange by private bills apply to that year?—It applies to the bills I have before mentioned, which were drawn at 3 *s.* 10 *d.* or 3 *s.* 11 *d.* about the latter end of the year 1828; but it is within my knowledge also, that from the difficulty of procuring bills in China, private merchants have remitted funds through the way of America; and though by this circuitous route, and consequently from the longer time bills had to run, merchants have been able to obtain rather a better exchange, yet those bills even have only realized in this country about 4 *s.*

5224. Then is the opinion you gave before the Committee as to the rate of exchange unaltered, notwithstanding the statement made in the evidence of Mr. Melvill?—Quite so, as regards private transactions.

5225. Have you made any inquiries in the mean time of other persons connected and acquainted with the trade to China upon that subject?—I am frequently in the habit of conversing with people in the City of London upon the subject of China and the China trade, and I have never derived any other information from experienced persons on that subject, except that which I now give to the Committee.

5226. Do you happen to know whether, in the two years 1827–28 and 1828–29, bills were in considerable demand at Canton?—Bills are always in great demand at Canton; they must be in great demand, from the existing course of trade; and the reason of their being at so low an exchange is, because there are so few bills to meet the demand.

5227. Is that difference as to the exchange between you and Mr. Melvill confined to the period of 1828–29, or does your view of it spread over the whole period of the last 14 years?—I cannot speak to the whole period of the last 14 years from recollection, and have no documents at hand to refer to; but this rate of exchange would naturally prevail as long as the demand for bills should so far have exceeded the supply.

5228. In your answer to question No. 3454, in page 273, in computing the price paid by the Company for tea, at an average price for the whole period of the present charter, you compute the value of the dollar at 4 *s.*, whereas it is in evidence that the dollar in exchange has, during the greater part of that period, been much higher; do you not consider that, in order to make an average comparison, the prices of the tea and the rates of exchange should have reference to the same period?—I have taken the average price in that Statement of the Company's teas at 2 *s.* 9 *d.* 92 decimals per pound, from the official document referred to in my answer, and now upon the table of this Committee; but this is the sale-price in England. With regard to the rate at which dollars may be procured in China by private traders, I speak, it is true, of the present time, but the rate at which dollars can be procured has reference to the cost-price in China. All, therefore, that I mean to maintain in that Statement is, that the tea may be procured at the prices which I have given, viz. so many tales per pecul.

5229. Do not you consider that the rate of exchange and the price of tea should be compared in the same year; and that if the same exchange is averaged, so ought the price of tea to be?—For the "second" head of comparison contained in my Statement, I know no fairer way of making the comparison than that which I have adopted; viz. by taking what the Company have themselves declared to be the average sale-price of the tea for the whole period of the charter, or 2 *s.* 9 *d.* 92 decimals, and to compare the result with that of the price at which I believe it can be sold in this country; viz. 1 *s.* 6 *d.*; and having in the "first" head of comparison taken the sale-price of 1828–29 to compare with that included in my Statement (the average price of the Company in that year being only 2 *s.* 3 *d.* 97 decimals), they have therefore the advantage of the difference between 2 *s.* 3 *d.* 97. and 2 *s.* 9 *d.* 92 decimals in the "first" comparison.

5230. Do not you consider, that if the average of the period be taken with reference to the exchange, for the purpose of computing the upset-price of the article, the average of the price should also be taken for the same period?—I have taken the price in my Statement at which tea can now be purchased, that is in the year 1828–29, and compared the resulting sale-price in this country, "first," with the average price of the Company's tea in 1828–29, or 2 *s.* 3 *d.* 97 decimals; and "secondly," with the average sale price of 15 years, or 2 *s.* 9 *d.* 92. Had I taken the average price of many single years previous to 1828–29, to compare with the

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sale price of my Statement, it might justly have been objected to; the result or comparison given in the Statement would in that case be more unfavourable to the Company; but I do not exactly comprehend what connection is supposed to exist between the rates of exchange in China and the sale-price of tea in this country.

5231. Do you consider the rate at which bills may be negotiated at Canton a fair test of the rate at which the Company could purchase their teas, to the amount of 2,000,000 *l.* a year?—The rate of exchange in such a case would depend upon existing circumstances. It may be impossible for anybody to say what would be the precise rate of exchange between Canton and England if private individuals were admitted into that market, with the privilege of purchasing 30,000,000 or 40,000,000 of lbs. of tea every year, but in all probability it would be nearer the real par than at present.

5232. Supposing the Company at present were pleased to pay for their tea in bills of exchange in London, do you think they could negotiate them at 3 *s.* 11 *d.*?—I do not think that they could.

5233. Supposing England was supplied with tea by the private trade instead of being supplied exclusively by the Company, do not you contemplate a very considerable change in the commercial intercourse between England and China?—A very considerable change.

5234. Do not you conceive that that change would in all probability tend to create a considerably larger demand for bills upon England than exists at the present moment?—Certainly; but a considerably greater supply of bills also.

5235. What has been the effect of the change which has taken place in the trade between England and India?—It has had the effect of altering the exchange most materially. When that trade was closed, or almost closed to private individuals between England and India, I can remember the exchange, Calcutta on London, at 2 *s.* 7 *d.*, 2 *s.* 8 *d.* and 2 *s.* 9 *d.* the Sicca rupee; it is now at 1 *s.* 11 *d.*, or from that to 2 *s.*

5236. Has not the rate of Exchange fallen considerably in China in latter years?—Yes; to the disadvantage of that country.

5237. Has not that fall in a great measure arisen from the increased intercourse which has taken place between India and China, and between Europe, America and China?—I think it has chiefly arisen from the great difficulty there is in procuring remittances through the way of China. In proportion as the bills are few, compared with the demand for them, the India and China merchants must of course pay a higher price for such as are in the market.

5238. Has not the difficulty of obtaining bills by remittance on England arisen from the want of the power in Englishmen to send home goods from China to England?—Certainly.

5239. Would not, therefore, an increased intercourse by a free trade of imports and exports very materially alter the state of exchange; and would not the balance in favour, or against, depend on the amount of exports as compared with the imports?—This would clearly operate as one cause.

5240. Would not the rate of exchange depend upon the balance of payments?—Exactly.

5241. Would not the amount of bills procurable depend upon the extent of the commercial intercourse between the two countries?—Clearly.

5242. You have spoken of the variation of exchange with India since the opening of the trade; has not the currency of this country been changed?—It has.

5243. Since the restoration of the metallic currency have not the exchanges become much more in favour of this country than they were before generally through the world?—No doubt the exchange will always depend in one respect upon the value of the currencies in which bills are drawn and paid; but the effect alluded to in the question is, I apprehend, the reverse of that anticipated from the opening of the China trade.

5244. In answer to question 4360, Mr. Melvill states, that on examining your Statement, he finds that you have fallen into the same error as Mr. Thornelley, by taking the rate of exchange in one year, and the prices in another?—I think Mr. Melvill must have misunderstood my Statement in this respect; for in the estimates I have given of the Company's trade I did not refer to any rate of exchange whatever; I merely took the sum of the prime cost of the tea in pounds sterling, as given in the official document I then quoted, without any reference to the rates of exchange.

5245. Are you aware in what way his observation can apply to the Statement on which he has observed?—It cannot apply to the Statement included in my answer 3454, p. 273; and if he refers to the Statement I have given in, respecting the Company's trade, he must have misconceived me, inasmuch as I did not in that Statement, as before observed, refer to any rate of exchange.

5246. Does not it refer to the Statement you made when you calculated what the tea could be bought for?—It may refer to that Statement.

5247. Is it the fact that you have taken the rate of exchange in one year and the prices in another?—If reference be had to the Statement included in my answer 3454, p. 273, the remark will be found not to apply; but if the other Statement be alluded to, it will be found that in this respect I have only followed the course of the official documents before the public, in which, where a comparison is drawn between the prime cost of tea and the sale-amount, the prime cost of one year is taken, and the sale-amount of the following.

5248. Then are the Committee to understand that in all those Statements the rate of exchange has nothing to do with your calculation?—With the Statement relative to the Company's trade it certainly has not. If I am allowed, I would make one more remark upon this Statement in answer to question 3454, p. 273, wherein Mr. Melvill objects to my adopting in this and the other Statements five per cent as the rate of wastage. In the statement included in my answer 3454, p. 273, I have admitted the loss in weight and allowance to buyers, commonly called draught, to be equal to five per cent, and I should be glad to explain to the Committee the grounds upon which I have formed that calculation. The Company are in the habit of granting a certain privilege to their commanders and officers upon their ships for the purpose of bringing home tea to this country, and they allow them, as I understand, to fill this privileged tonnage with tea at the rate of 9 cwt. to the ton. The commanders and officers in availing themselves of this privilege put on board for each ton 7 peculs, 93 catties, or 8 peculs of tea. Now 9 cwt. is only equal to 1,008 pounds, whereas 7 peculs and 93 catties weight are equal to 1,058 pounds, or five per cent more than the regulated allowance. That five per cent, therefore, is what they consider to be the amount of wastage on the passage home; and it is not likely, unless that was the common and average rate of wastage, that they would adopt it as the rule of filling their own tonnage; because if they are found upon their arrival in England to have exceeded the amount of their privilege, (that is to have put more tea on board than they are allowed by the regulation of the East India Company,) they are made to pay, as I understand, 60 *l.* per ton for every portion of the excess. We have therefore every reason to conclude that they adopt this five per cent for wastage on the ground of its having been proved, by their own experience, to be the amount of loss on the passage home. On *really* old tea the wastage is less, and may be estimated at two and a half to three per cent. There is, besides another allowance in this country, but generally included under the term wastage, and that is an allowance to buyers of one pound upon every chest that is sold. Now a chest of black tea is 72 pounds, a chest of green tea about 60 pounds. This allowance therefore, is of itself upwards of one and one third per cent; and when Mr. Melvill and Mr. Lloyd assert that the wastage and the allowance for draft, together only amount to two per cent, (the wastage on the passage home being in this case little more than one half per cent,) it appears to me quite incredible, and altogether inconsistent with the experience and usage of private traders. By inserting five per cent for wastage and draft together in my statement 3454, p. 273, I shall therefore be found to have taken it against myself if I have rated it at too much; but I think from what I have explained regarding the practice of the Company's officers, five per cent cannot be considered as too much for the united allowance. At all events, in the future Statements I mean to deliver in, I have adopted four per cent as sufficient to cover the wastage upon the passage home, and allowance for draught in this country; and this I take to be a moderate allowance, as applicable to both descriptions of tea.

5249. In the second division of the Statement you have made, contrasting the price at which the Company supply tea to this country with the price at which it might be furnished by the private merchant, you have taken the average price of tea during the charter, as sold by the Company, to be 2 *s.* 9 *d.*; and you have taken the price at which it could be furnished by the private trader at 1 *s.* 6 *d.*; would it not have been fair, as in forming that calculation of 1 *s.* 6 *d.* you have founded it upon the rates of exchange at Canton, to have considered what those rates of

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exchange have been during the whole duration of the Charter?—It does not appear to me that the rates of exchange in China have any thing to do with the prices at which teas can be sold in England in sterling money. If the private merchant can sell his tea with a profit at 1 *s.* 6 *d.* per pound, I think it fair to compare it, as I have done, with the sale-prices of the Company.

5250. In answer to question 3454, p. 273, you have stated, that "in the above calculations the Spanish dollar is taken at 4 *s.*; the rate of exchange at Canton was even lower last season, as many bills were drawn at 3 *s.* 10 *d.* and 3 *s.* 11 *d.* per Spanish dollar at six months sight." Now if the Spanish dollar instead of being at 4 *s.* had been at 4 *s.* 6 *d.*, would it not have affected the result at which you have arrived, so as to make the cost at which tea could be supplied by the private trader in this country above 1 *s.* 6 *d.*?—It would not. It would only affect the result as to profit. If the dollar cost the purchaser of the tea 4 *s.* 6 *d.* instead of 4 *s.* that would be an advance on the prime cost of eleven per cent; in that case the tea might still be sold at 1 *s.* 6 *d.* the pound in this country, and be supposed to leave a net profit to the importer of seven per cent. But I would beg leave to observe, that if the trade were thrown open, as I propose, it is not probable the exchange would rise to 4 *s.* 6 *d.* It is more likely to vibrate within limits nearer to the real par.

5251. When you state that tea could be supplied at 1 *s.* 6 *d.*, and that the exchange is no relative part of its cost, upon what principle do you regulate the upset-price?—A private trader in disposing of his goods has no upset-price like that adopted at the Company's sales. In the Statement of 3454, p. 273, the average cost of the tea being regulated by a rate of exchange of 4 *s.* per dollar, it appears from the result of that Statement that the teas might be sold in this country at 1 *s.* 6 *d.* a pound, and then leave a profit of 18 per cent to the importer. If the purchaser of the tea in China was obliged to pay higher for his tea there, that is, to purchase his dollar at a higher rate of exchange than 4 *s.* the only effect it would have upon this Statement is, as before observed, to diminish the amount of the profit.

5252. Is not your calculation made upon the lowest rate of profit at which a private merchant would carry on such a transaction?—By no means. The private merchant would be well satisfied with a net profit of 10 per cent, whereas upon the grounds of this statement he gets 18.

5253. Upon what grounds do you calculate that the private trader would be entitled to charge the public 18 per cent profit?—I only say that if he got 1 *s.* 6 *d.* for his tea, upon the grounds of this calculation, he would get 18 per cent as the result of the adventure; but it is probable so high a rate of profit would soon come to be reduced by public competition, and then the private merchant would not be indisposed, I presume, to take less.

5254. Must not the cost of the tea be influenced by the rate of exchange?—I admit that it *is*; that is, the prime cost.

5255. You have given two Statements, one of which is a calculation of what the profit will be on one year's actual transactions, and the other is a calculation of what the profit would be on the average of a given period; you have assumed that the sale-price of the Company's tea would be 2 *s.* 9 *d.* for the whole period, and you have assumed that the price of the merchant would be the same; do you suppose that the merchants could have procured assets to buy tea during the whole period at the same rate which you assume?—It is impossible to say at what rate merchants could have procured the dollar in China during the whole of that period, if the trade, with China had been perfectly free; neither do I think there are any documents in this country which would establish that fact. In the event of a perfectly free trade, it is probable the exchange would not vary much from the real par; and I therefore repeat that if during any portion of the period the dollar should have cost the private merchant more than 4 *s.*, the effect would have been to raise the prime cost of the tea in China, and to diminish, *pro tanto*, the result of the concern.

5256. If the dollar had been 5 *s.* 6 *d.* would not it have taken away the profit altogether?—No doubt it would; but that is a rate not to be contemplated. I will venture to predict, that if the trade is thrown open between this country and China the dollar never will rise to 5 *s.* 6 *d.*

5257. Has it not done so in past years?—Yes; and so had the Sicca rupee risen to 2 *s.* 9 *d.* under the influence of the Company's monopoly; but I maintain upon

upon the same grounds, that the Sicca rupee in India can never again rise to 2 *s.* 9 *d.* so neither can the dollar rise to 5 *s.* 6 *d.* if the trade be thrown open.

5258. You have stated that in estimating the cost of the tea you have had no reference to the rate of exchange?—I have stated that in regard to the sale-price I have had no reference to the rate of exchange, but not with regard to the cost. I have said that a rise in the cost-price will only diminish, *pro tanto*, the ultimate profit.

5259. Will you turn to the answer to question 4375, in Mr. Melvill's Evidence, in which he says "I am prepared now to prove that Mr. Rickards's Statements involve errors and omissions which, when corrected, leave a credit to the amount of 956,361 *l.*" and so on, stating the amount of several years; have you examined those Statements; and what observations have you to make to the Committee on the corrections given in by Mr. Melvill to those Statements, beginning with the first for the year 1820–21?—I have examined those Statements; and I would beg leave to observe, upon the Statements which I delivered on former examinations to this Committee, that they are founded upon my interpretation of the 57th clause of the Act of 53 Geo. 3, c. 155, the words of which it may be convenient here to quote: "That for and during the continuance of the possession and government of the said territorial acquisitions and revenues in the said United Company, the net proceeds of their sales of goods at home, with the duties and allowances arising by private trade, and all the commercial profits and other receipts of the said Company in Great Britain, shall be applied and disposed of in manner following; that is to say, first, in providing for the payment of bills of exchange already accepted and hereafter to be accepted by the said Company, as the same shall become due; secondly, in providing for the current payment of other debts (the principal of the bond-debt in England always excepted) as well as interest, and the commercial outgoings, charges and expenses of the said Company; thirdly, in payment of a dividend, after the rate of 10 *l.* per centum per annum, on the present or any future amount of the capital stock of the said Company." According to my view of that clause in the Act, it appears to me that the Company are required to pay out of their net profits the interest upon the home bond-debt in this country (the principal being expressly excluded there when speaking of interest) together with the dividends upon their stock; and the object of those Statements was to show that there was not a sufficiency of net profit upon the China-trade (the only portion of the Company's commercial concerns that I had then any means of examining) to pay the whole amount of these dividends and interest. When I gave in those Statements, it will be recollected by the Committee, that I observed upon them, that it was impossible they could be altogether accurate; that they were consequently liable to corrections, and that having taken the items contained in those Statements from certain official documents which I then referred to, having no others before me to quote, I merely presented them as affording proof in the abstract of the position I had assumed. When, therefore, Mr. Melvill brought to this Committee certain corrections of those Statements, it was reasonable to expect that he would produce an account, prepared upon mercantile principles of the *actual* profit derived by the East India Company at the several periods referred to; instead of which we have from Mr. Melvill an arbitrary combination of figures, which are not only not supported by any official document that I have seen, but are absolutely at variance with all those official documents now, as I understand, on the table of this Committee, as I shall proceed to prove. But before I go to the proof, I would beg leave to observe upon the explanation which is now given of the term *prime cost*. In my original Statements I took prime cost to mean, what every other private merchant would do, the actual price paid by the purchaser to the seller of the commodity; whereas we are now informed, that the "prime cost" of Leadenhall-street includes a variety of items which it was impossible for any private merchant, or I believe any human being, to conceive would have been included in the term prime cost, unless he had been previously admitted into the arcana of the India House. That prime cost, as now explained, means, it appears, not the prime cost of the tea, but the prime cost of a certain quantity of woollens from England and cotton from India, with the charges of freight, insurance, and other items included therein (not added); amongst which I find, or rather I infer, from the examinations of Mr. Melvill and Mr. Lloyd, that the following are component items: viz. "the cost of maintenance of the Factory, comprising rent and repairs of private apartments, as well as furniture supplied thereto, and the expense of the public table kept in the

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Factory;" that it also includes "rent, repairs and furniture, including a charge of six per cent per annum on buildings and other dead stock, the property of the Compan yn China; Canton port-charges; duties on imports sold by auction; unloading-charges; expense of the removal of the Factory establishment to and from Macao; charge of the Company's schooner, boat-hire, &c.; ditto on account of their reception on board the Company's ships during discussions with the Chinese authorities; linguists' fees; Chinese masters, &c. stationery and articles for use; wages of coolies and watchmen; packing-charges, &c.; petty expenses; printing establishment." These are Chinese charges. Besides which there are superadded, as incurred in England, "a proportion of the charges of establishment, and shipping-charges attaching upon the Company's exports to China." This is the explanation now given of the term "*prime cost*" at the India House; and if I have been led into error in the first instance in not conceiving the possibility of "prime cost" being made up of such a host of incongruous items, I hope to stand perfectly justified in the opinion of the Committee. Now, however, that we understand what "prime cost" means, I shall of course adopt it in its new sense in the future Statements which I shall have to lay before the Committee. In respect to the article of prime cost, therefore, I stand corrected under the explanation now given. But with regard to the next item, or the sale-quantity per contra given in Mr. Melvill's corrected Statements, he has, I presume, adopted an estimated amount by taking the sale-quantity at two per cent less than the original quantity, on the supposition of two per cent being a sufficient allowance for wastage, which, according to the explanation I have given in reference to my former Statement, I take to be perfectly erroneous. He has, moreover, adopted an estimated amount as to the sale-proceeds of tea, for I cannot find either that quantity specified by him, or the amount sale-proceeds thereof, in any one official document now upon the table of the Committee. On the contrary, in the official documents upon this table, both the quantity of tea sold in the periods referred to in these corrected Statements of Mr. Melvill, and the amount of sale-proceeds, are widely different from the quantities and sums he has adopted; I have therefore a right to conclude that these items are estimated or arbitrary insertions. In respect to freight and demurrage, I have not the same means of tracing these items through all the different periods contained in the four corrected Statements of Mr. Melvill; but I find that it does not agree with one period in which there is an exact official account of the China freight, and that this differs very materially from the amount given by Mr. Melvill; whence I can only infer that the whole of these items for freight and demurrage in his four corrected Statements are likewise arbitrary insertions. In the corrected Statement for 1827–28 by Mr. Melvill, he states, for example, the freight and demurrage at 550,866 *l.*, whereas in the official documents before referred to, or No. of the "Accounts and Papers delivered to the Committee, 1830," where the freight upon the outward trade to China and the trade to the colonial possessions at the Cape of Good Hope and North America, is separated from the homeward freight from China to England, this latter freight is there stated, for 1827–28, at 647,319 *l.*

5260. Have you any other means of comparing the charges introduced by Mr. Melvill for freight in the other Statements, to ascertain how far the same variation exists which you have shown in the single official document you have?—I have no other official documents for the periods given in the four corrected Statements.

5261. What observations have you to make on the other corrected Statements?—The other charges contained in Mr. Melvill's corrected Statements are as follows: viz. 82,114 *l.* for Canton salaries; 173,520 *l.* for charges in England; 236,287 *l.* for interst, and 58,654 *l.* for insurance; making a total of 550,575 *l.* On these items I have to observe, it is not a little remarkable that these charges are precisely the same in every one of Mr. Melvill's corrected Statements, although they are for four different and distinct periods, viz. 1814–15, 1820–21, 1827–28, and an average of 14 years. Now it is quite impossible that those charges could have been the same in each of those periods; on the contrary, we know from official documents upon the table, that the charges vary constantly from year to year. The insertion, therefore, of the same charges in every one of the corrected Statements must unquestionably be incorrect; they cannot be otherwise.

5262. Have you any means of showing the difference between the actual charges for those four items by the official documents before this Committe, and that account given in by Mr. Melvill?—I have for the year 1827–28, and will give it

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in a Statement I have prepared for that purpose; meanwhile I would remark, upon the circumstance of those charges being invariably the same throughout the whole of Mr. Melvill's corrected Statements, that they absolutely invalidate the whole. They are not, and cannot be, those correct statements of the Company's China-trade which it was reasonable to expect would on such an occasion as this have been furnished from the India House. There are, however, other objections taken by Mr. Melvill to my Statements which I should like to explain; and first, with regard to the interest, which is 236,287*l.* in the year 1820–21. Considering that this is a Statement of profit or loss on a particular adventure or branch of trade, and drawn out for no other purpose than to ascertain whether there was a sufficiency of net profit to pay the interest upon the home bond-debt, and the dividends upon stock, I maintain that the charge of interest is a fair item to be introduced into that Statement. In the first place my position is, that the whole of the money included in the prime cost, viz. 1,874,840*l.* is money borrowed from the revenues of India. The Company have no other capital to trade with. They are supplied entirely with funds from the revenues of India. I believe the revenues of India to be the sole support of their commerce, without which they could not have existed so long as they have done as a commercial body. I have a number documents to prove this fact, which in due time I may perhaps be called upon to produce; but in the mean time I would only advert to one circumstance, which happened in the year 1813, when Mr. Cartwright, the late accountant-general of the East India Company, was examined before the Select Committee of the House of Commons, of which I was then a member. Mr. Cartwright upon that occasion was asked a question with regard to the Company's capital; and his answer was simply this, "Capital, sir, I have been 40 years in the Company's service and I never could find out that they had any capital at all." There are gentlemen now alive who were present at this Committee, and well recollect his, Mr. Cartwright's, answer. It was modified afterwards, in consequence of some discussion that took place at the Committee, one of the Directors being present, and rather displeased with Mr. Cartwright for giving such an answer, and he was allowed upon application to alter it. I am then justified, I think, in saying, that if this money is borrowed from the revenues of India, and which I am confident is the case, interest thereon is fairly debitable to this account. It appears to me, indeed, that a larger sum of interest than the amount here specified should be carried to the debit of this adventure; for I observe in one of the examinations of Mr. Melvill, that he states that interest upon this account is only calculated for 18 months. The interest, however, fairly chargeable, upon mercantile principles, in this Statement, ought to be nearer three years and a half; and therefore, if it was taken at three years, it would be double its present amount. As this, however, is the amount given in upon official authority, we shall take it at 236,287*l.* It may be as well to explain my reason for saying that three years at least ought to be, upon mercantile principles, included in that account. Mr. Melvill admits in his examination, answer 4298, that, according to "ordinary usage, as respects interest being included in the invoice-charges with the Parliamentary enactment, the upset-price of the tea should include interest from the time of the first expenditure to the time when the sale-proceeds of the tea are realized." This is a fair principle for calculating interest. According to this principle I would beg leave to explain to the Committee that the largest portion of this sum of prime cost being furnished in goods from England and from India, is supplied in the following manner: There is a certain quantity of goods purchased in England, in all probability two or three months before they are embarked on board the Company's ships. These ships sail, say in the month of January. Those that proceed by the way of India go to receive cargoes of cotton, which are also provided about the same time as the English goods are. They all arrive in China in the autumn of that year. They are despatched from China in or about December, laden with tea, and arrive in this country in May or June of the following year. We have here a lapse of one year and a half; and as the cargoes brought home, according to Mr. Melvill's own admission, remain in warehouse upon an average 20 months, and are then sold at two or three months prompt, there is therefore a period of about three years and a half between the time of the first advance of the money for the purchase of those goods, and the time when the sale-proceeds of the teas are realized. On these grounds I infer that a larger sum of interest ought to be included in this account than is here inserted, for this is avowedly no more than 18 months interest upon sums advanced to make

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up what is called the prime cost. With regard to the insurance, the next item in this account, Mr. Melvill takes credit in his corrected Statements (after debiting the account with the premium, or 58,654 *l.*) for 44,593 *l.* as saved by them (the Company) in the mode of effecting their insurance. Now it is very possible that they may have saved this amount in the mode of effecting their insurance, by being their own underwriters. If they have done so, I still say that this credit-item has no business here. Upon mercantile principles it ought to be credited in their underwriting account, and nowhere else. On the other hand, the charge for insurance, being three per cent upon the value insured, is a regular mercantile charge in all invoices and accounts of this nature: it is a sum which the merchant either pays to another or to himself for the risk he runs in regard to the capital employed; if he is his own underwriter he must keep a regular account of such transactions, and whatever he gains or loses must be carried to the debit or the credit of the underwriting account, and nowhere else. It may finally be remarked, with reference to these credits, termed "amount of interest earned on the Company's own capital," of 236,287 *l.*, and the "amount saved by them in the mode of effecting their insurance, 44,593 *l.*" that these also, in like manner with the charges, are carried at the same unvarying amounts through every one of the corrected Statements for the four separate periods. Nothing therefore can be clearer, in my opinion, than that such insertions as these completely invalidate the whole of those Statements.

VI.

MINUTES OF EVIDENCE.

17th May to 3d June 1830.

Lunæ, 17° *die Maij*, 1830.

WILLIAM WARD, ESQUIRE, IN THE CHAIR.

Robert Rickards, Esquire, again called in; and Examined.

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5263. YOU have stated that you consider that the trade is carried on by means of the territorial revenue of India?—I conclude it is, from an examination of the official documents before the public.

5264. Are you aware that money to the amount of 3,000,000*l.* sterling per annum is paid in this country to the account of territorial charges?—Latterly it has amounted, I believe, to about 3,000,000*l.* sterling; but not to so much in previous years.

5265. Are you able to say from what source those funds are derived that form those 3,000,000*l.*?—It appears to me that they are derived from the surplus revenue of India, and remitted to this country in goods from India and China.

5266. Must it not depend upon whether there is a profit upon those goods; whether there is any source from which that territorial revenue can be defrayed?—As regards the result of the trade, it would appear from the official documents which I have had an opportunity of examining, and now on the table of this Committee, that the trade with India is attended with loss, and the trade with China with a small profit.

5267. Supposing the goods that are sent from India in any one year to defray those territorial charges, in what manner are the territorial charges of the next year defrayed?—In the same way, from goods purchased in India and in China, and remitted to this country for sale.

5268. Then you are not able to point out any other source from which those territorial charges paid in this country are defrayed but what you have stated?—I cannot, from any of the printed official documents I have seen.

5269. Do you consider the trade to be a losing one?—I am led to that conclusion from the examination of the official documents.

5270. From what period do you consider that trade to be a losing trade?—I have in my possession, but not here, the official statements laid before Parliament by the Court of Directors for about 35 or 36 years; and from these statements I can only infer that the trade has been a losing one throughout at least the whole of that period.

5271. You say the profits on the China trade are small?—According to my view of the documents there would seem to be a small profit on the China trade, but not after paying dividends and interest on home bond-debt.

5272. And yet you say that this payment of 3,000,000*l.* a year is made from the proceeds of that trade?—From the proceeds of the sale of goods for which the revenues of India appear to me to have furnished funds.

5273. But still it is through the medium of that trade only that those territorial charges are defrayed?—From the sale-proceeds of the goods, not from the profit.

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5274. Then you still persist in the opinion that the territory supports the trade?—I do.

5275. Would your opinion remain unaltered if it were shown to you that Lord Melvill, Mr. Canning, Mr. Bathurst, Mr. Williams Wynn, and Lord Ellenborough, in their offices severally, as presidents of the India Board, that the Marquis of Hastings, Lord Amherst, and Lord William Bentinck, as governors-general, that the several chairmen, Court of Directors of the East India Company, and that all the accountants of the India Board, of the Bengal government and of the Company, totally differ from you in that conclusion, and unite in agreeing that since the accounts were separated the territory has derived resources and aid from the trade?—The question, I admit, contains a host of most respectable authorities against the conclusion I have drawn, but opinions on either side do not amount to proof. The real truth, whether there be a gain or a loss on the Company's trade, whether the territories have supported the commerce, or the commerce supported the territory, must depend upon the result of figures, that is, of figured statements so prepared as to satisfy merchants and the public at large of the alleged fact. I mean to say, that no satisfactory conclusion can be drawn upon this head from any of the official documents I have seen in print; I refer, therefore, entirely to these official documents, without meaning to impugn the opinions of the gentlemen whose names are quoted in the question, for whom, on the contrary, I entertain the highest degree of respect.

5276. If these documents never satisfied the public, how comes it that the successive officers who have been named should have still persisted in their opinion, in contradiction to yours?—I am not responsible for their opinions; neither do I mean, in stating to the Committee, the grounds of my own opinion, to insist upon it that I am absolutely right. I merely say, that I have formed this opinion upon the official documents which have been laid before Parliament. If further statements can be produced to induce me to alter that opinion, I shall be most ready to acknowledge it.

5277. But for the present you remain of the same opinion you have expressed?—I must remain of that opinion as long as the documents now before the public are the only ones which I am enabled to refer to.

5278. You say that the documents are unsatisfactory?—The documents, in my opinion, do not establish the fact of the commerce of the East India Company being so profitable as to aid the revenues, but the reverse.

5279. Have you any satisfactory document upon which to come to the opposite conclusion?—I would not assert this opinion so roundly as I do without having documents to support it; but I have not those documents at hand, not expecting to be examined to this particular point.

5280. Are they official documents?—They are, all of them.

5281. Then are the official documents satisfactory to bring you to the conclusion you come to?—They have led me to that conclusion.

5282. Those official documents are of course known to all the persons whose names have just been mentioned?—They are before the public.

5283. Do you not think that in a point of so much importance as that of correctly ascertaining the state of the Company's affairs, it would be more desirable that this Committee should be guided by documents framed expressly for such a purpose from official sources, than by statements compiled from different accounts, which, however correct in themselves, from being framed for different purposes, may not admit of their being combined into a general result by persons not conversant with the Company's mode of keeping accounts?—A correct and comprehensive view of the real state of the Company's affairs, prepared on mercantile principles, and officially certified, is the very thing that is now wanting, and ought, as I think, to be produced. Meanwhile I can only add, that I have formed no opinion, nor drawn any conclusion as to the territory supporting commerce, except from the official documents I have seen in print. Those official documents are not now at hand, from my not expecting to be examined upon this particular point; but I shall be ready to give all the information in my power as to the grounds upon which my present opinions are founded, whenever I am called upon for that purpose.

5284. And from these official documents you have formed your opinion that the territory supports the trade?—Yes.

5285. Do you conceive that you have seen official documents proving that the territory has produced a surplus competent to defray all the charges which have been paid in England on account of the trade?—That is my conclusion; that the surplus revenue in India has been sufficient, and more than sufficient, to pay all the charges in England.

5286. And that that appears from the official documents you have seen?—Yes.

5287. When you say that the territory has produced a surplus which has support the trade, do you exclude from your estimate the territorial charges arising from a state of actual war, and confine yourself to what you consider the ordinary revenues and charges of a time of peace?—The official documents which I have examined appear to me to include all the charges of the periods of war; and it is on this presumption that I say there is still a surplus revenue exhibited on the face of the accounts.

5288. How do you account for the accumulation of a large debt?—That would lead to a very long discussion, which I am prepared to enter into, but I have not the documents at hand to support the opinions I should give upon that subject; and, with deference to the Committee, I think it had better be postponed till these documents can be regularly laid before them.

5289. Can you refer to the particular documents upon which you form your opinion that the trade is supported by the territory?—The principal documents that I refer to are the annual accounts of the state of the revenues, and other matters, which are laid by the Court of Directors before the House of Commons annually.

5290. For how long back?—I think I have got them in my possession for about 35 or 36 years back.

5291. Do you mean to say that those accounts exhibit annually a surplus revenue sufficient to pay the charges of the trade?—They do, to my judgment.

5292. Including all the expenses of war?—Including the expenses of all the wars the Company have been engaged in during that period, presuming always, as I have said before, that those expenses are included as they appear, and ought to be, under the head of "charges" in the accounts alluded to.

5293. Then you conclude that the large debt contracted by the Company has arisen entirely from losses on trade, and would not have arisen from any transactions as sovereigns of India?—If my opinion is correct as to the state of the revenue accounts, there is no other inference to be drawn in respect to the accumulation of debt.

5294. What does the surplus of the territorial revenue amount to, in your estimation, during the last 14 years?—I could not state that without having my papers by me.

5295. Can you, by reference to the papers presented by His Majesty's command to this Committee, state what has been the advance by the territory to commerce in India, and what have been the payments in England for the territory by the Company for the year 1814?—In No. 13 of the Papers relating to the Finances of India and the Trade of India and China, presented in February 1830, the total amount of advances made at the several presidencies and settlements of India for the purposes of commerce, in so far as regards the purchase of investments for Europe from the year 1814–15 to 1826–27 inclusive, is 30,545,069 *l.*, of which 24,338,050 *l.* are stated to have been issued in repayment of territorial charges defrayed in England. In No. 2, of the same papers, being an account of the revenues and charges of India, the total of the territorial charges paid in England are stated to be included, and for the period here referred to amount to 20,893,206 *l.* It appears, therefore, from this account, that a balance of 3,444,844 *l.* would be due to the territory; whereas in the account, No. 25, of the same papers, the territory is debited in the sum of 8,142,103 *l.* These are discrepancies in the official accounts before the public, which can only be reconciled by the officers of the India House. There are no explanations given by which a private individual inspecting these accounts can possibly effect this reconcilement.

5296. Are the Committee to understand that Accounts, No. 13 and No. 2, which you have quoted, support the view you have taken, that only twenty millions had been advanced in that time on account of territorial charges in England?—This is certainly one fact in corroboration of the view I have taken.

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5297. Will you state to the Committee what appears by these documents to have been advanced by the territory to commerce in the same period?—The sum total advanced for the purposes of commerce is thirty millions, of which twenty-four millions are stated to have been applied to the repayment of territorial charges defrayed in England.

5298. Does it not further appear in a subsequent column that 6,207,019 *l.* were issued from the commercial funds in India?—It does; and I was going to add that when I was interrupted.

5299. You were understood to state that the sum of 30,545,069 *l.* was advanced in India from the territory for the purposes of commerce; the Committee also understood you to have said, that out of that sum of 30,545,069 *l.* the sum of 6,207,019 *l.* was advanced to the commercial funds in India; how do you reconcile these two answers, the one expressing that the whole sum was advanced for the territory, the other, that a considerable part of it was paid for the commerce?—I have, it is true, stated in a former answer, that I believe the commerce to be wholly supported by advances from the revenue funds; but when I answered the question referring to this account I quoted the very words contained in the head of each column, and therefore I feel quite confident that I have quoted it correctly.

5300. Then the Committee is to understand that you dispute the correctness of that heading of the last column, which states the sum to have been issued from the commercial funds?—The issue is here stated to have been made from commercial funds, and I have no doubt is so; but according to my view of the Company's accounts I should conclude that this also was advanced in the first instance from the revenues.

5301. Then, in fact, you do not speak now so much from the accounts themselves as from the correction which you conceive your knowledge has enabled you to make of those accounts?—I speak from both.

5302. Is it your opinion, then, that what are stated in this heading to be commercial funds, are in point of fact, when examined into, funds derived from the territorial revenue?—In consistency with the answer that I have given in the early part of the examination of to-day, I conceive these commercial funds to have been also originally derived from the revenues. With the funds thus derived goods are purchased in India, and consigned to this country. Out of the proceeds other goods are returned to India for sale, and constitute there also a head of commercial funds. In this way, if my view of the state of the Company's accounts is correct, this 6,207,019 *l.* are also in the first instance derived from territorial sources.

5303. Then you conceive that the surplus revenue has been competent to supply those advances to the commercial funds?—That and the debt together. This sum therefore of 6,207,019 *l.* stands upon the explanation I have just now given.

5304. Upon what grounds more particularly do you form the opinion, that this 6,027,019 *l.*, which has been considered by the Company and by the Board of Control to have consisted of commercial funds, has in fact consisted of territorial funds?—I have explained my reasons for entertaining that opinion very fully in the evidence I have just given.

5305. You have stated, that the territorial charges paid in England since the charter amounts to about 20,000,000 *l.*, according to the account No. 2, and you conceive that that column of the account gives you the whole of the deficiency of the revenues in India?—It seems to be stated here as the sum of the territorial charges paid in England.

5306. Are you not aware that in the latter years of that period there was also a deficiency in India, appearing on the face of the accounts, to the amount of above four millions and one half, under the head of "Remaining Indian surplus charge"?—I have not that account before me; but I dare say the deficiency is so stated in the official accounts laid before Parliament as they are now prepared.

5307. Is not that sum to be added to the total amount of the deficiency of the revenues of India?—In the statement I shall lay before this Committee, to support the view I have taken of the Company's financial accounts, I shall include that 4,000,000 *l.* and every other deficiency. My opinion is, that there is no deficiency

ciency upon the whole; that there must be a surplus, if the printed official accounts are correct. I rest my opinion entirely upon them.

5308. Are you aware that a sum of nearly 5,000,000 *l.* has been applied as part of the surplus commercial profits to the payment of the territorial debt since the charter?—I have seen that sum stated as a memorandum at the foot of one of the official documents in this collection of papers; but I cannot find out from this, or from any other official document contained in this collection, whence that commercial profit arises.

5309. Then you conceive that as it cannot be proved to have come from commerce, it must come from the territory?—It is impossible to tell from this account where it comes from.

5310. Does the account of the territorial revenue and charge show a capacity not only to defray all the expenses in England, but this additional sum of 5,000,000 *l.* in this circuitous way, returns through commerce?—I think the territorial account when fairly analyzed will exhibit a very large surplus.

5311. Do you mean to imply that some heads, either of revenue or charge, are improperly stated in the account No. 2?—I am sure that if I was to give my view of the case here, without having my papers at hand, and official documents to refer to, I should only lead the Committee into a very troublesome discussion, and occupy their time, in all probability, unnecessarily.

5312. Does it not appear in account No. 2, that the whole of the interest on the India debt is charged separately from the territorial charges paid in India?—It does.

5313. Is not a part of the interest on the India debt paid annually in England out of the commercial funds; and ought not therefore the interest so paid to be added to the territorial charges which are to be levied in India for advances made in England?— Certainly, if the debt itself is territorial.

5314. If, therefore, the interest so paid be added to other charges, may not the territorial charges paid in England during the period since 1814 exceed the sum of 24,338,050 *l.*, which is stated in No. 13 to have been repaid in India for advances in England?—The official accounts will show that. I cannot state it from a cursory view of these accounts. I cannot tell from these accounts whether any portion of the interest on the debt is included in the territorial charges paid in England; but if, after paying the whole interest on the debt, as included in that column, and after paying the whole of the territorial charges included in the other column, there shall still appear to be a surplus revenue, it appears to me to be quite indifferent whether, as regards the ultimate result, any portion of that interest on debt be paid in this country or in India.

5315. If you will refer to Answer 3454, in page 273, in your second Statement, you will see that you have assumed that the average price at which tea could be supplied by the private merchant is 1 *s.* 6 *d.* a pound, including a profit of 18 per cent to the merchant; does that include interest for the capital employed, as there does not appear to be any included?—No, it does not include interest, because the money is supposed to be raised by bills, in which case no interest would be chargeable; the interest would be included in the rate of the exchange.

5316. If it is supposed to be raised by bills, would you assume that the tea should be sold as soon as the bills became due?—The tea imported into this country by private merchants would in all probability be sold either before the bills fell due, or much about that time, the bills being supposed to be drawn at six months sight.

5317. Are you not aware that the Commutation Act, by requiring a stock to be kept on hand, precludes the selling of tea before its arrival?—It precludes the Company, but it would not, on the supposition I have assumed in those statements, preclude individuals from doing it.

5318. At what rate do you value a dollar in the computation of 1 *s.* 6 *d.* per pound; do you not value it at 4 *s.*?—I have in this Statement valued it at 4 *s.*

5319. Supposing the dollar were 4 *s.* 6 *d.*, would not the profit be greatly reduced?—I have stated already that the effect of it would be to reduce the profit, and not to affect the sale-price in this country; but as the profit is a very ample one, viz. 18 per cent, there is abundant room for reduction from any variation that might

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take place in the rate of exchange, and still leave the merchant-importer an adequate return for the employment of his capital.

5320. If the dollar were at 5*s.* 6d. or 5*s.* 9*d.*, or 6*s.*, would there not be a loss?—Certainly; but I cannot contemplate the possibility of the exchange rising to 5*s.* 6*d.* or 6*s.* per dollar, in the event of a perfectly free trade being opened to China.

5321. Are you not aware that it is stated in the official documents before this Committee, that in some of the years since 1814, the dollar has, in actual transactions, been exchanged for even 6*s.*?—I believe it has been quoted at that rate; but the exchange between Canton and England during the period of the Company's monopoly is no guide for concluding what the rate of exchange would be under the circumstances of a free trade. We have had a remarkable instance of that in respect to Indian exchanges. When the Company had a close monopoly of the trade to India, our rate of exchange was then as arbitrary at Calcutta as it is now at Canton, the rate of exchange then was within my recollection as high as 2*s.* 9*d.* the Sicca rupee, and very shortly after the trade was thrown open, and began to feel the operation of the adventures of private merchants in India and in England, it fell to 1*s.* 11*d.* and 2*s.* If the trade was thrown open to Canton I should anticipate that the exchange would be regulated by the same causes, and accordingly vibrate about the real par, being sometimes a little above, and sometimes below that standard, which, as regards dollars, is 4*s.* 3*d.*

5322. Were not the high exchanges which you speak of, 5*s.* and 6*s.*, and the high Indian exchanges at the same period, in consequence of the Bank of England being at that time not open for payment in specie, and that dollars were in the same proportion advanced in England?—That may have been one cause.

5323. Is it possible that the exchanges of China and India with England, any more than the exchanges between any one country and another, can vary beyond the expense of conveying the precious metals from one country to the other?—Certainly they never would, if the commercial intercourse between the two countries were free; but under the operation of the Company's monopoly in India, for example, the case was widely different. The Company had adopted the exchange of 2*s.* 6*d.* the Sicca rupee, for their remittances to England, to discharge interest on their loans, and for other purposes, and that had a material effect in regulating the then existing exchange; now I consider the exchange between England and India to be operated upon by precisely the same laws which regulate it with all the countries of Europe.

5324. That is by the charge of conveying the precious metals from one country to the other?—Certainly.

5325. Are you aware that an export duty was laid by the East India Company on the exportation of treasure from India to England about the year 1811 or 1812?—I believe it was the case, but I cannot at this distance of time speak from recollection alone very precisely as to the amount of the duty, or the time during which it was in operation.

5326. In point of fact, do you know that the exchange continued as high as 2*s.* 9*d.* till the year 1817 or 1818, four years after the charter?—It continued high until 1817 or 1818, that is, until it felt the full influence of a freer trade.

5327. You have referred to the effect upon the exchange by opening the trade with India; do you not think there is a great difference between the effect of opening the trade with India, and what might be the effect of the same measure with regard to China; because in India no internal regulations exist which interfere with commerce; whereas in China internal regulations proceeding from the authorities in China would so interfere that the rate of exchange would not be so acted upon as it would be in India?—I should think that the rate of exchange would be in a great measure regulated between China and England by the operations of the traders themselves, and that altogether independent of the restrictions that might be laid on by the Chinese government; more especially when I perceive that in regard to some of the most important articles of trade now with Canton, the restrictions of the Chinese government are completely set at nought by the merchants who trade in those commodities.

5328. If your computation of 1*s.* 6*d.* per pound have reference to the whole period since 1814 and 1815, is it not clear that the private merchant who sold his tea at that price would have been left greatly out of pocket, in many years, when,

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for instance, the dollar was worth 6 *s.*; and if your computation be not intended to embrace the whole period, then do you not perceive that in your second statement, in answer 3454 in page 273, you have contrasted your assumed price of 1 *s.* 6 *d.* with the Company's average price of the whole period, as stated by you in the first line of the Statement in page 273, and consequently that the comparison which you have made must be fallacious in its results?—My comparison under the head "Secondly," with the Company's prices, is introduced incidentally. The actual comparison which I have rested upon is the "first" comparison, wherein the rate of exchange in China, and the sale price of the Company in this country, are taken for one and the same period. When I was examined upon this subject on Thursday, I observed that I really could not exactly comprehend the exact connection that was endeavoured to be established between the rate of exchange in China and the sale-price in this country, because these two things are governed by very distinct causes. If a private merchant cannot get 1 *s.* 6 *d.* for his tea in this country, he must take less, or else hold the commodity. The sale-price in this country will always be governed by the state of demand and supply. As to the rate of exchange in China, when it is quoted at 6 *s.* I take that to be a perfectly arbitrary rate of exchange; the exchanges quoted in private letters from Canton are very frequently stated to be perfectly nominal. There is in fact no rate of exchange in China regulated by the same rules that govern the rates of exchange between the different countries of Europe; but I do conceive, and I think it will be proved if the trade should ever be thrown open to China, that the dollar can never rise to that amount again; it will probably be confined within the limits of from 4 *s.* to 4 *s.* 6 *d.*, the real par being 4 *s.* 3 *d.*, and in all probability nearer to the real par than the utmost extent of those limits; and if the trade had been thrown open for the whole of the period alluded to in this second comparison, I, for one, must be of opinion that the exchange never would have exceeded those limits; I therefore think that I was justified in introducing this second comparison in the way I have done it here, more as an incidental comparison than as a real comparison, such as that which is introduced under the first head.

5329. You are aware that a great part of the purchases made at Canton on American account are effected by dollars sent out from this country or from America; what does that dollar cost the parties in China who send it out?—The price at which they can procure it in America, with the usual charges of exporting it to China. But the Americans, who were formerly in the habit of conveying dollars alone to China for the purpose of purchasing investments, and for the obvious reason that they could not supply themselves with funds in any other way, have now for a series of years taken also the manufactured goods of this country, which they have latterly carried in larger and larger quantities to Canton; what therefore the dollar or the tale costs them in China I cannot exactly tell.

5330. In your last examination you said that Mr. Melvill's corrected Statements were arbitrary, because they contain precisely the same sums as the charges of interest and insurance for each year; have you not done exactly the same thing in your Statement; and if such insertions invalidate Mr. Melvill's corrections, is not the conclusion inevitable that your Statements are invalidated by the same cause?—When I delivered in those Statements to the Committee I informed them that I had only official documents for the years 1820 and 1821 to refer to; having no other than those of 1820–21, I was obliged to include the charges contained in that document as an estimate in all the other Statements I delivered in; but the case was widely different with Mr. Melvill: he had all the accounts of the India House at command, consequently the means of stating the exact amount of the Company's profit for each of the periods for which those Statements were given; instead of which he has adopted for every one the same amount of charges for salaries, charges in England, with interest and insurance, which of course, in my opinion, and I should think in the opinion of every merchant, must invalidate the whole of his corrected Statements. Since those Statements were drawn out I have had an opportunity of seeing other official documents, from which all the charges on the Company's trade for one year may be more accurately collected, and I could, if the Committee desire it, deliver in a correction of former Statements for the year alluded to; one that I think would at all events be a nearer approximate to the truth, that is, to the real result, than any that have yet been exhibited.

5331. In correcting your Statements, would not it be natural for Mr. Melvill to take the same years which you yourself had taken?—Certainly; but when Mr. Melvill

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came to correct errors in my Statements, which I admitted from the very beginning those Statements were liable to, I should have thought it reasonable to expect that he would have produced an actual Statement of the out-turn of the Company's trade with China, if not with India, for the years adverted to, and the more especially as no such Statement has ever yet been exhibited to the public.

5332. Although such a Statement would be very valuable, would it be a correction of your particular Statement?—If he showed the exact result of the Company's trade, and could show that there was such a profit upon the trade as he has deduced from his corrected Statement, then it would be a real and satisfactory correction of my error, instead of the fanciful or estimated one he has now given, and which, in such a case, I should be most ready to acknowledge.

5333. You have expressed your belief that the deduction to be made from the tea imported by the Company for wastage and allowance must exceed two per cent; would not your opinion be changed if by official documents it should appear that you are mistaken?—Of course it would, as regards the Company's importations, if the document were complete, and certified under official responsibility.

5334. As you in your Statements assumed the gross imports of one year as th quantity all accounted for in the sales of the succeeding year, reckoning the difference as wastage, (in the amount of which you and the Company are at variance,) was it not proper, in correcting your Statements, to bring to account the difference; and should you not now say that this is explanatory of the variation between the sale quantity in your Statement, and that introduced by Mr. Melvill, as far as that difference went?—Upon my examination on Thursday last I explained very particularly the grounds on which I adopted four per cent as a moderate allowance for wastage, including what is called the allowance for draught in this country. That two per cent should cover those two heads of wastage appears to me altogether incredible; more especially as the allowance for draught, as it is called, amounts to very nearly one and a half per cent of the whole amount; and therefore to suppose that there has only been one half or two thirds per cent of real wastage upon the tea on the passage home, is a circumstance which I cannot account for; neither is it consistent with the experience of any private merchant who has traded in tea that I have consulted on this head. I may further add, that the Company allow equal, on an average, to about one half per cent on what is called the turn of the scale. These two allowances, therefore, are equal to two per cent, leaving nothing for wastage on the passage home, or until the period of its being weighed off to the buyers; a period generally of 20 months to two years.

5335. You have alluded to the allowance for draught by that term; do you not mean the allowance made by the East India Company to the retail dealers for the wastage which they may suffer in retailing their teas?—That may be the motive; but the allowance is granted to buyers at the public sales, and amounts, as I have explained, to one pound upon every chest, besides what is allowed for the turn of the scale.

5336. Do you compute that one pound for every chest would amount to one and a half per cent?—A chest of black tea weighs about 70 pounds on the average, a chest of green tea about 60 pounds; therefore one pound allowed upon those chests is equal to something more than one and a third per cent.

5337. You have included in your Statement, in page 270, in answer to question 3435, as charges, interest on the Company's own capital as well as dividend to the proprietors; are you not aware that any interest which the Company's capital may have earned must form part of the fund which the law (53 Geo. 3, c. 155, s. 57, called the Appropriation Clause) has made applicable to the charge of the dividend; and that therefore to charge the interest and the dividend is to charge the same thing twice?—I have already explained to the Committee my reason for giving in the Statements which I did upon my former examination, and which were merely prepared to ascertain whether the received opinion was correct as to the net profits of the Company's China trade being sufficient, not only to pay the interest on home bond-debts and the dividends in this country, but to aid the territorial department with occasionally large advances. From my own inspection of the official documents before the public, I was unable to draw the same conclusion; on the contrary, it appeared to me that there was but a small amount of net profit on the Company's China trade; and at that time, having no means from official documents of ascertaining the result of the India trade, I was obliged to confine myself to the profit which appeared to

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result from the China trade. I was consequently at a loss to conceive where the Company could obtain funds for the payment of those two items, unless it were from the revenues of India; and on drawing out my Statement from the only official documents then before me, to show what the net profit on that trade was, I had reason to be confirmed in my belief. In that statement I included, as I believe every merchant would do, interest, and precisely the same sum of interest which is charged upon the concern where the Company make up a sum under the Act of Parliament to regulate their upset prices of the teas. I took that as the charge for interest upon the transaction, although it appeared to me that a much larger sum ought to be charged for interest upon mercantile principles. I have explained to the Committee, that according to the principle laid down by Mr. Melvill himself, in his answer 4298, wherein he admits that interest on mercantile principles should be charged from the time of the first expenditure to the time when the sale proceeds of the teas are realized, that the period which these sums had to run was upwards of three years instead of 18 months, which he admits in another part of his examination to be the time for which interest has been charged; I should therefore say, that upon a fair mercantile statement of this account a much larger sum of interest is fairly debitable to it; notwithstanding which, I have only taken, as before mentioned, the sum of interest which I found in the official documents. As to its being twice charged in this account, that I presume cannot be supposed to be the case, if my position is correct, that the whole of the prime cost must have been originally borrowed from the revenues. Indeed the documents which I have had had occasion to refer to this day go a great way in support of this fact; and if this sum has been so borrowed from the revenues, which revenues are now charged with the interest upon the whole of what is called the territorial debt, interest in this point of view is fairly chargeable upon this prime cost as due to the revenues, and therefore it is not a double entry, as it has nothing to do with the items of interest on the home bond-debt and dividends on stock, which are paid to other parties in this country.

5338. If, as a merchant, you were called upon to return an account of the profit and loss in a distant adventure, and you returned that account without debiting the account for interest upon the capital employed, or without debiting it for the premium of insurance incurred, supposing you were your own underwriter, should you not conceive that such statement of profit and loss would be a fallacious one?—Perfectly so. The interest is fairly chargeable upon the amount of the prime cost; because, even if it were a portion of the capital of a private merchant, it is so much deducted from the capital that was otherwise previously beneficially employed, and therefore deprives him of the means of making that interest upon the whole amount of his capital which he otherwise would do. If that interest is returned to him at all, it must be returned out of the sale proceeds of the goods; and therefore to credit it as Mr. Melvill has done in this Statement twice, is, in my opinion, an erroneous entry; at all events as regards a profit and loss account.

5339. Should you not conceive that it is the custom, as well as the duty of any mercantile man, who becomes his own underwriter, in keeping his books, to keep an account of the profits of underwriting, or the loss of underwriting, separate entirely from the particular adventures upon which he underwrites?—That is precisely what I have already explained in commenting upon Mr. Melvill's insertion here of a credit on account of insurance. In a former examination I have stated that this sum which he has credited, 44,593 *l.*, for the amount saved by the Company in the mode of effecting their insurance, has no business whatever here; it should be carried to the credit of the underwriting account; and if that account exhibits a balance in favour, it is of course the underwriter's profit; but if the balance is unfavourable, as is often the case, it is then an actual loss; at all events this credit item has no business here. I should also say the same of interest. I believe that most merchants on a large scale keep an interest-account. I know that I do; and in such a case as the one here stated, I should carry the interest gained on the transaction to the credit of interest-account; and if the interest-account exhibited a balance in favour, that balance would be a profit, but not otherwise.

5340. Should you not consider that the interest on the Company's capital was to be considered as a receipt that was to be made applicable to the charge of the dividend?—Certainly, if interest is gained in the way I have mentioned, and gained on the employment of real capital; but in the case before us interest would be chargeable, in the first instance, on the portion of capital which is employed in the China trade, since the capital would be losing so much interest during the time this

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this portion of it was so employed, and if returned it must come out of the sale proceeds of the goods; it cannot be gained in any other way.

5341. You know that previously to 1813 the accounts of the Company's territory and trade were made up together; but that by the 64th section of the Act of the 53 Geo. 3, c. 155, they have since that period been separated, and are now kept quite distinct; do you not also know that the annual accounts framed upon that law of separation show a very large amount of assets belonging to the commercial branch, and is not this large amount shown at pages 61 and 62 of the Papers as to the finances of India, presented by the King's command?—I know that the Act of 1813 required a complete separation of the territorial and commercial accounts, but the public have never seen yet such statements of the commercial account as would satisfy a mercantile man as to the real result of the Company's commercial concerns. In respect to those assets which are enumerated in the voucher No. 25 of these Papers, I perceive that some of them are stated at a valuation, of which I have no means of forming an accurate opinion, they may be exactly valued, or they may be undervalued or overvalued. I therefore take these amounts to be no criterion of the Company's commercial capital, more especially as one of the items contained in it, *videlicet*, 8,142,103 *l.*, is there given in very vague terms, for there is a note of reference from it at the bottom of this account, which contains this remark: "This balance is subject to reduction by the amount of advances made in India from the territorial branch to the commercial branch in the Indian official year 1827–28. The documents whereby the amount of these advances is to be ascertained have not as yet been received from India, but which it is estimated may amount to 3,124,900 *l.*, which will leave a balance due to the commerce of 5,017,203 *l.*, including interest." This, therefore, is at best but a mere estimate. Of the remaining items of this account, if my view of the state of the Company's finances be correct, the whole or the greater part of the other items must have been furnished from the territorial revenues.

5342. Are you able to state now far the division of charges ordered at the commencement of the present charter under the heads of Political and Commercial, has been such as to charge commerce only with the charge which as a merchant you would admit; and is not an examination of each item necessary before any person can give a correct opinion on the result of those public accounts between territory and commerce?—I have seen no such account yet that would satisfy a commercial man as to the real out-turn of the Company's commercial concerns, or whether they included all those charges which a private merchant would put upon such an account; and I have always thought it, and still think it most highly desirable that such an account should be laid before the public, for without it all conclusions that may be drawn from accounts which have been produced are liable to error on the part of any private individual who may take the trouble to examine them.

5343. Will you look at No. 25 of the Accounts before the Committee, and state whether the results at the bottom of that account under the head of Commercial Credits at home, and afloat outward, can be depended upon as a correct account by which the actual state of the Company's affairs can be judged of?—I cannot draw any satisfactory conclusions from this Statement.

5344. Will you state the grounds of your opinion that no accurate conclusion can be formed of the accuracy of this account?—I have remarked upon one item, which is very vaguely stated in this account, *videlicet*, the sum of 8,142,103 *l.* It is impossible for any body, without having the accounts of the India House before him, to judge of the entire accuracy of this item. There are other items upon which a valuation is placed; and I submit to the Committee whether it is possible for any private individual to judge of the entire accuracy of that valuation.

5345. Does not the fact of this note, in addition to the item of 8,142,103 *l.*, prove a desire on the part of the Company to give the best information to the House that it is in their power to give?—I have no doubt, from the great respectability of the Court of Directors, that they are perfectly disposed to give every information that can be desired by the Committee, and to give that information accurately; but I must repeat that that information is not yet before the public.

5346. Does not this note refer to a sum of 3,124,900 *l.* which may be estimated to be paid to the commerce, and which is not pretended to be an actual statement?—Still it is only an estimate; and an estimate, I maintain, is of no kind of value in an actual cash statement.

5347. Do you consider that the sum of 1,207,560 *l.*, being the value of 3 per cent reduced stock belonging to the Company, is not an actual asset in their hands?—That of course is.

5348. Is not the cash balance an actual asset?—I presume it is.

5349. Are not the amount of goods sold not paid for actual cash statements?—That will depend upon whether they are paid for or not. They may be sold for the amount stated, but the payment is not realized.

5350. Is it the custom of the Company to part with their goods till they are paid for?—In that respect the Company's sales are conducted in a very satisfactory manner; but it often happens that goods retained in the way that the question supposes in the Company's warehouses till paid for, have never been cleared by the purchasers, and a loss has accrued upon the resale of them.

5351. Can you state whether that is not an accidental circumstance arising out of the depression of prices which has recently taken place?—It depends more upon the circumstances of the buyer at the time.

5352. Admitting, as you do, that those several items are actual cash statements, is it not reasonable to suppose that the other items are equally those which can be depended upon?—How for example can a private individual, like myself, say with precision what the value of the goods in England unsold is, or of the exports, or of almost all the other items? What can I say is the value of the ships, sloops and vessels, exclusive of those stationed abroad, and the value of the East India House and warehouses? They may produce the sums stated in these accounts, or they may not.

5353. Is not a private merchant in the habit of valuing his property per estimate?—He is; but then the private merchant will probably well know the real value of his own property, when he cannot be expected to know the value of other persons.

5354. Is not the Company in the situation of individuals likely to know the value of their own property?—Certainly they ought to know the value of their own property, and they may have placed an accurate valuation upon it; but in respect to property of this kind, even a private individual is frequently greatly deceived by valuing it at a rate which will never be realized when it comes to be disposed of.

5355. Do you mean to say that the Company have less means of valuing their property than a private individual has?—No; but I say that I have no means of knowing whether this valuation is correct or not.

5356. Have you any reason to doubt it?—I have no means of judging.

5357. For instance: how would you understand, or how would any merchant undertand this item, "value of goods unsold in England;" may it not mean either goods unsold valued at the cost-price, or goods unsold valued at the probable sale-price, or goods unsold valued with a profit upon them; or is there any means of ascertaining with certainty what is meant?—That is precisely one of the items in which I feel that my information is defective. I have no hesitation in saying, that were I to value those goods in my own hands, in an account of this kind, I should value them at the invoice cost; whereas I judge, from the amount at which they are valued here, that they are rated by the East India Company at the expected sale prices.

5358. In page 208 of the Third Report of the Select Committee of the House of Commons, which sat upon Foreige Trade in 1821, it is stated that the China trade was "profitably conducted by the Company, and constituted their most plentiful resource in aiding the administration of the countries entrusted to their government." Do you, in contradiction to the opinion stated in this Report, still maintain that it is the territory which upholds and supports the trade?—My opinion has been already given upon that head, in opposition, as it appears, to high authorities. I cannot, however, alter my opinion upon this subject, unless I have proof of my error. The opinions of other persons, any more than my own, do not amount to proof; and with all the respect I entertain for the authorities quoted at this table, I must still retain the view I have given of the Company's finances, till I can be convicted by actual proof of its being in error.

5359. You stated that, supposing the Company to have made a profit by being their own insurers, such profit has nothing to do in an account showing the adequacy or otherwise of the Company to pay the dividends and interest upon the bonds: are you not aware that the Act of 53 Geo. 3, c. 155, s. 57, which you upon a former occasion read to the Committee, distinctly appropriates to those and other objects the whole of the Company's profits and other receipts, and therefore that to charge, as you did, the whole amount of the premium of insurance, without re-crediting it

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as profit, would be to leave the Company in possession of what the law has directed them to appropriate?—It will be recollected by this Committee that I prepared this Statement with no other view than to show that the net profit upon the China trade was not equal to the amount of interest on the home bond-debt and the dividends on stock payable in England; and I therefore drew out the Statement in the way in which I believe every private merchant would draw out an account of profit and loss, charging it with interest and insurance, taking these two items from the only official documents then before me. If the Company, being their own underwriters, have upon that insurance made a profit, my position is, that that profit ought to be carried to the credit of their underwriting account; then, if on the balance of their underwriting account there is also a profit, that profit would come in aid of the payment of dividends, as required by Act of Parliament. The same may be said with regard to the interest. That interest, when it is made good by the return of the teas from China, ought, as I conceive, to be carried to an interest-account, and if the interest-account is profitable, that profit would also constitute an item out of which those payments, according to the Act of Parliament, should be made; but I conceive that these two items have nothing to do as credits in an account purporting to exhibit net profit; and this would be more especially the case if, as I conceive, the amount of the prime cost of the goods has been borrowed from the revenues. But an account exhibiting the real profit or profits of the Company, from whatever sources they arise, with the appropriation thereof according to law, is precisely the thing which is now wanted, which the public, in my opinion, has a right to expect, and which, if produced, would have been far more satisfactory in correcting errors or misconceptions than any thing that has yet come forth from the India House.

5360. Have you ever seen the plan prepared in 1814, under the authority of the India Board, and submitted to this House, under which a separation is made between the territorial and commercial concerns of the Company?—No, I have not seen the plan.

5361. You have remarked upon certain discrepancies in the accounts presented from the East India House, and other papers presented by order of His Majesty, which are now before this Committee; are you not aware that some of those accounts are for a period of 20 years, and others are for a period of 14 years, and that some are drawn up by the officers of the East India House, and that others are analyzed and put together by the Accountant-General of the Commissioners for the Affairs of India?—The discrepancies I have chiefly remarked in the examination of those accounts occur in the items given in for specific years; they are in some accounts stated at one amount for a particular year, and in other documents they are stated at another amount.

5362. Are you aware of the fact alluded to, that they do come from different quarters, and for different periods?—I cannot be aware of it until it is explained. When I spoke of discrepancies I alluded to such as occurred at one and the same period. It often occurs, for example, that the quantity of tea sold, and the sale-prices of those teas, are differently stated in different accounts for the same year.

5363. You have particularly alluded to the sum of 550,866 *l.*, which Mr. Melvill has inserted for freight on tea exported from Canton in 1827–28, and the sum of 647,319 *l.* stated in an official account dated the 17th March 1830; are you aware that the official statement in question comprises the freight accounts of the ships which arrived in England in 1827, and, therefore, that cannot correspond with Mr. Melvill's account of freight chargeable on tea exported from Canton in 1827; and do you not observe, in reference to No. 32 of the printed Papers, that the quantity of tea exported in 1826–27 was much larger than the quantity exported in 1827–28; that the quantity in 1826–27 was 38,567,505 pounds weight, and in 1827–28 was only 31,593,176 pounds; and does not, therefore, this difference of quantity account for the great difference in freight?—I cannot possibly account for the discrepancy in this respect, from the account before me, because no such explanation as that stated in the question is given here; the reason for that discrepancy may be the one now explained, but I would beg leave to observe, in regard to Mr. Melvill's corrected statement of 1827–28, that he gives us 31,593,176 lbs. as the amount of tea exported from Canton, whilst the freight and demurrage upon that quantity, being 550,866 *l.* only, is different from the amount of the freight charged in No. 19 of the Accounts and Papers delivered in to the Select Committee in 1830, which is given at 647,319 *l.*, and expressly stated to be the "freight from China to England" in that year, and to be the "actual amount" in that

that as in the other years of that account. I must, therefore, still infer that the insertion in Mr. Melvill's corrected statement is an estimate, or a discrepancy requiring to be reconciled. *R. Rickards, Esq.* 17 May 1830.

5364. But you are aware that one sum applies to the quantity of tea exported in 1827, and that the other is supposed to apply to the quantity of tea imported in 1827?—The sum of 550,866*l.* for freight and demurrage is expressly stated in Mr. Melvill's statements to apply to the quantity of tea *exported* from Canton in 1827–28.

5365. The two quantities being very different in the subsequent years?—Yet the sum before mentioned is applied in this statement unquestionably to the amount or quantity of 31,593,176 lbs. of tea, and can be applied to nothing else.

5366. Are you not aware that the freights are not paid at the same time that the goods are sold, that they are occasionally paid before the goods arrive in port?—That does not alter my view of Mr. Melvill's statements, for which we have his express words.

Jovis, 20° die Maij, 1830.

Robert Rickards, Esq. again called in; and Examined.

5367. HAVE you, since you delivered in your Statements of the trade to China, which have been observed upon by Mr. Melvill, had an opportunity of examining the Returns subsequently laid before this Committee, purporting to be the real charges on the China trade during the years for which your Statements were offered?—I have examined Statements to that effect, numbered 18 and 19, in the series of Accounts and Papers dated March 1830, and which contain the charges alluded to from the year 1823–4 to 1828–9 inclusive. *R. Rickards, Esq.* 20 May 1830.

5368. How far do those Returns support the accounts you have given in?—I must repeat, with reference to those Accounts and Statements, that in their present state they lead to no satisfactory conclusions; in other words, that they afford not the means of coming at the real result of the Company's trade. It is only a general conclusion that can be drawn from them; I stated as much upon my first examination, and with reference to the statements I then and subsequently delivered in to this Committee: Mr. Melvill has since been at pains to refute my Statements by a series of what are termed Corrected Statements; and as these Corrected Statements may lead cursory observers still to suppose that the profit on the China trade is as large as it has been generally reported to be, although from my analysis of these Corrected Statements it is quite obvious that the balances they exhibit are not even an approximation to true results, I prepared subsequently, for my own satisfaction, another Statement, founded on the explanations given by Mr. Melvill and Mr. Lloyd, as to what constituted the item, prime cost, in the Company's accounts, and the result is contained in the two short Statements which I hold in my hand, and which, with the permission of the Committee, I will now deliver in. No. 1 is drawn out according to the view which I have taken of the Company's financial accounts, and as I think a merchant would draw out a regular profit and loss account of any particular transaction; the other is drawn out precisely on the principles contended for by Mr. Melvill in his Corrected Statements, in which the item of interest is altogether omitted, and only a small estimated sum of one per cent included for insurance. I have selected for those statements the year 1827–8, and the sales of 1828–9, because in those years we have, in the official documents upon the table, a sale amount of tea corresponding with that which was imported in the preceding year, allowing only four per cent for wastage, and draught and turn of the scale, which, from the explanation I gave on my last examination before this Committee, I take to be a moderate allowance; all the other items of this account are taken from the official documents which I have particularly referred to on the face of the Account.

5369. What is the result?—The total deficiency, including the loss on the India trade, which I had not before the means of ascertaining on the authority of any official document, amounts to 999,935*l.*, and the deficiency on No. 2, to 787,195*l.*

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5370. Do you mean that as compared with the deficiency shown in your third Statement?—This is the deficiency on the Statement made out after the explanations given in by Mr. Melvill and Mr. Lloyd as to the items of charge which I had in my previous Statements ignorantly added to "prime cost," but which I find now ought to be included in that heterogeneous compound.

[*The Accounts referred to were delivered in and read, as follows*:]

1827–8.

No. 1.—STATEMENT of the Cost and Charges on Tea exported from Canton, for the Year 1827–8, with the Sale Amount of a corresponding quantity sold at the Company's Sale in 1828–9; showing also the deficiency of profits on the Company's commercial transactions to defray the payment of the Dividends on Stock, and the Interest on the Home Bond Debt.

	£.		£.
Cost in 1827–8 of 31,593,176 lbs. of tea exported from Canton, as per No. 32 of Papers relating to the trade with India and China, 4th June 1829	1,981,419	Sale amount of 30,269,508 lbs. of tea in 1828–9, as per No. 41 of Papers relating to the trade with India and China, Feb. 1830, being a quantity, with the allowance of about 4 per cent for wastage, equal to that purchased in 1827–8	3,527,057
Freight and demurrage, as per No. 19 of "Accounts and Papers," delivered in to the Select Committee 1830	647,319		
Salaries and emoluments to supra-cargoes and others, as per No 18 of ditto	69,195		
Charges in England, as per 19 ditto	205,537		
Interest, as per ditto	243,234		
Insurance, as per ditto	61,281		
Profit	319,072		
£.	3,527,057	£.	3,527,057
Interest on home bond-debts for 1828–9, as per No. 21 of Papers, &c. Feb. 1830	158,124	Profit brought down	319,072
Dividends on stock, per ditto	629,071	Deficiency	468,123
£.	787,195	£.	787,195
Deficiency brought down	468,123		
Loss on India trade, as per No. 4 of Papers delivered in to the Select Committee, March 1830	531,812		
Total Deficiency £.	999,935		

1827–8.

No. 2.—STATEMENT of the Cost and Sales of Tea, &c., the same as the preceding Statement, but drawn out according to Mr. Melvill's view of the Account, and the principle adopted in his corrections.

	£.		£.
Prime cost, &c. *Vide* preceding Statement	1,981,419	Sales, &c. as per preceding Statement	3,527,057
Freight and demurrage - ditto	647,319	Deficiency	715,234
Salaries and emoluments, &c. ditto	69,195		
Charges in England - - ditto	205,537		
Insurance, (say 1 per cent) estimated	19,814		
Loss on the India trade. *Vide* preceding Statement	531,812		
£.	3,455,096		
Dividends and Interest on home bond-debt, as per preceding Statement	787,195		
£.	4,242,291	£.	4,242,291

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5371. Are the Committee to understand that you deliver in these Statements in corroboration of the opinions you have formed, and the Statements you have previously given in?—As far as regards a general conclusion they certainly do confirm my former opinion; but I must observe upon those Statements that they appear to me, as I have always observed from the commencement, to be of little value besides.

5372. To what Statements do you refer?—My own, and the whole of them; all the Statements that have been laid before the Committee.

5373. State the reasons why you place little value upon them?—Because, in all the official documents which I have had an opportunity of inspecting, there is no such thing as a regular mercantile account of the profit and loss on the Company's Indian or China trade, such as a respectable merchant of the city of London, or a professional accountant, would approve; and until a statement of that description is laid before the public, which I think the public have a right to expect, no satisfactory conclusion can be drawn as to the real profit, or otherwise, of the Company's trade. It is on this account, I say, that estimates, particularly such as are framed from imperfect data, must always be considered of little comparative value.

5374. The Committee are to understand that those Statements made up by you are not considered of any great importance, because the data or documents supplied by the India House do not appear to you to be full and complete?—Exactly so; they only lead to the general conclusion with which I set out upon my first examination before this Committee, that there does not appear, from any thing that has been hitherto published, a sufficiency of profit on any portion of the Company's commercial concerns to defray certain charges in this country. This conclusion is moreover strongly confirmed to my mind, and I think will be obvious to other persons, from merely reflecting on the following circumstances. Let any person acquainted with the course of mercantile affairs, and the admitted fact of an universal depression of profits ever since the close of the last war, and the difficulties which private merchants have experienced in realizing even moderate profits upon concerns carried on with the most rigorous economy; let those facts, I say, be compared with the known mode in which the Company's trade is carried on; the great establishments kept up at the India House for commercial purposes; the magnificent establishment at Canton, the equally magnificent establishments spread all over India for commercial purposes; the freights paid by the Company upon their shipping, averaging, according to one official document upon this table, 21*l.* 10*s.* per ton, and in another between 18*l.* and 19*l.* per ton, for doing that which a private merchant would accomplish for from 8*l.* to 10*l.* per ton; and likewise the very high rate at which the Company have on all occasions paid for their goods both in India and in China; and if he can, after combining all those facts, conceive it possible for the Company to realize any thing like a profit upon their trade, he must have other ways of computing profit to any which I am acquainted with; but whether the Company realize a profit upon their trade or not is in my estimation of little comparative importance. The great question, in my opinion, to be considered upon this occasion is that which I took the liberty of impressing upon the attention of the Committee at my first examination, viz. the immense advantages which must unquestionably result to this country and to the eastern world at large, by the single act of opening the trade to Canton. We have here a question in which the great commercial interests of this country, the manufacturing interests, the shipping interests, and, by re-action, the agricultural interests, are deeply involved; and this I take to be of far greater importance than whether 200,000*l.* or 300,000*l.* can be made out more or less by the turning and twisting of figured statements.

5375. If all the documents submitted to Parliament, and those which you have seen that have been submitted to this Committee, of the commercial affairs of the Company, are as defective as you have stated, that no merchant can make up a satisfactory account from them to show the actual result, and profit and loss from their commerce, will you state what kind of accounts should be furnished to enable the Committee correctly to ascertain what has been the state of their trade?—Exactly such an account as I have just stated in a previous answer.

5376. What sort of an account do you conceive should be made out?—It should be such an account as a merchant would draw out to show the *real* result of his own affairs.

5377. Can you give a *pro forma* account of the manner in which the account should

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should be kept?—It is impossible for me to give a *pro forma* account here. Neither should I think a *pro forma* necessary, if the accounts at the India House are kept as mercantile books ought to be. From such books there can be no difficulty, I should think, of preparing such an account as would satisfy the public, containing the actual outgoings of the Company on one side, with their receipts on the other; a fair statement, in short, of mercantile transactions, prepared in mercantile form and on mercantile principles, such as any merchants are accustomed to prepare of all *bonâ fide* transactions.

5378. You are aware that by the 57th clause of the Act of 53 Geo. 3, it is directed that the profits on commerce should be applied for certain purposes, the last being that all surplus should go in reduction of the principal of the debt in India. Are you able, from the accounts before the Committee, to show whether any surplus has been handed over to pay territorial debt agreeably to the Act?—In Account No. 23, of the Papers relating to the Finances of India, page 49, there is a *Memorandum* at the foot of that account, in the following words:—"Amount set apart from surplus commercial profits for the liquidation of debt subsequent to the 1st of May 1814, and not deemed repayable by the territory." This however is but a simple memorandum or assertion; there is nothing that I can find in these official documents to show whence that surplus commercial profit arises; and this is another of the many instances which constantly meet us of the defective or imperfect state of these accounts. I observe also, in respect to that profit so set apart, that in the year 1824 it is stated at 4,754,903*l.*; the same sum is continued through the years 1825 and 1826, whence I conclude that there could be no surplus profits, real or estimated, in those years. In the following year, 1827, the amount is stated at 4,758,853*l.*, being a small advance on the preceding years of 3,950*l.*, whereas in the annual accounts laid before Parliament the increase of 1827 over 1826 is stated only at 124*l.* or 125*l.* This, again, is one of the many discrepancies which we find in these accounts, which may be capable of reconcilement by the officers of the India House, but which it is impossible for an individual to account for from any explanations that are here given; and therefore it is that I say that those accounts, as now presented to the public, do not exhibit so satisfactory a result as the public have a right to expect. Neither can any such precise result be drawn or compiled from the imperfect information they contain.

Mr. *James Layton*, called in; and Examined.

Mr. *James Layton.*

5379. WHAT is your profession?—I am a tea-broker.

5380. It is your business as a tea-broker to purchase teas at the East India Company's sales for the wholesale tea-dealers of this country?—Certainly.

5381. In that business you are in the habit, at every sale of tea, of examining minutely the qualities of the different parcels?—I am.

5382. Were you called upon to value some samples of teas which were brought from abroad?—Yes.

5383. Where did you value them?—At my own counting-house.

5384. From whom did you receive them?—I received them from Mr. Jones; they were sent to me; I believe they came from the Board of Control.

5385. They were sent to your office for examination?—They were.

5386. Did you examine them in company with any other tea-brokers?—No; by myself only.

5387. Did you give your opinion without any concert with any other person?—No; we met afterwards and compared notes, and gave a valuation of prices in conjunction with several others; there were about a dozen more; there were many of those teas imported by the foreign companies. I look upon it that we have no such tea comes to the Company's sale, because the bulk of the teas that we have consists chiefly of the general qualities of Bohea and Congou tea, which form the chief consumption of this country.

5388. Did the other brokers examine them with you?—No; each examined them separately by their own samples; there were samples sent to ten or a dozen different houses.

5389. For the purpose of afterwards fixing on prices did you afterwards meet together?—We met together and compared prices, and gave the result of that to the gentlemen who sent the samples.

5390. Was the result an average?—Yes, an average, as nearly as we could put it, of what they would have sold for at the Company's sales.

5391. Was

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5391. Was there much difference of opinion between you?—There was; in the finer sort of teas especially.

5392. Were there in the Congos and Boheas?—No, very little; hardly any at all; merely fractional parts.

5393. Were the samples of sufficient size to enable you to judge fairly of them?—Certainly.

5394. Were the prices you have affixed to the teas prices which you thought similar teas would sell at, at the Company's sale, or were they prices that they would sell at in the wholesale shops?—We have no idea what they sell at at the wholesale shops, for they vary so much by 1 *s.* per pound; but we fixed it at the price at which we supposed, had they been put up by the East India Company at their sale, they would have reached, subject of course to the variation whether there is more or less of the finer quality.

5395. With respect to the teas of more general consumption, more particularly the Congo and Bohea, was the price that you estimated them at with reference to the last sale-price of the Company, or with reference to the actual market-price at the time?—We were obliged to reckon them at the price we supposed they would sell at; there were several of those qualities of tea that the East India Company do not import on their own account, but which are generally brought over by their officers, who have a private trade, as it is called, which is a liberty to bring home such and such qualities; but we cannot answer for their qualities to compare them with the Company's teas. The East India Company's teas are always clean teas, and well examined before they come to this country, which the others are not, for their trade is by barter. In general you cannot expect an officer who goes out to bring the dollars; but they receive so many chests of tea as they may purchase by barter. Of the price we know nothing.

5396. Were you told, when those samples were delivered to you, from whence they came?—No; we were summoned by Mr. Jones to come and see them at the Board of Control Office; the number was so great it was impossible to form an opinion of them there; each of the brokers had the samples sent, and tasted them, as well as examined them by the appearance.

5397. Were you told from what part of the world they came?—We knew not from whence they came; the paper states them to be from the Continent of Europe, but does not state from what countries.

5398. As to the teas of general consumption, particularly the Bohea, Congo, the Hyson, and the Twankay, setting aside any of the teas of which little is imported, were they teas of the qualities used for general consumption, and, upon the whole, of good fair quality?—Except the Twankay tea I think they were; that was inferior to what the Company usually have. The Bohea tea was rather inferior, to the extent of 1 *d.* or 1 ½ *d.* per pound; but that is a tea not used, or very rarely, in London; that goes generally into the country, where they are obliged to sell it at a lower price, particularly to the manufacturers.

5399. Was the Congo a fair quality?—It was not so clean as the Company's teas.

5400. What do you mean by not so clean as the Company's teas?—It had a particular taste, showing that it was not altogether so well selected.

5401. Some of the Congo is put as high as 2 *s.* 6 *d.* a pound; have you much of the Company's Congo that sells at so high a price?—There is some of the Company's Congo that sells as high as 3 *s.*

5402. Is the quality put here at 2 *s.* 6 *d.* a pound not a good quality?—It is a good quality of tea valued at 2 *s.* 6 *d.* a pound; but wherever samples have been taken, and have come from a distance, they depreciate, and also from the tea being in paper.

5403. Is it your opinion that the samples have not quite so fair a chance as if they had been drawn fresh from the chests in the Company's warehouses?—Decidedly not.

5404. Did the manner of sending them put them to some disadvantage?—Yes, particularly in the smell, which is a great thing we go by, as well as taste. Many of those that are called Congo were a Souchong kind of tea, which, by the names they gave them, they would not bear with ours.

5405. Were the green teas that came from New York of a good quality?—I do not know from whence they came, only the samples were taken from which we were to form our opinion.

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5406. Were the green teas of a fair quality?—Some of them were, and some were very indifferent.

5407. How long had those samples been taken out of the chests before you saw them?—That I cannot say; I never saw the chests nor the packages.

5408. The prices of your valuation are of course what are called the short prices, that is without the duty?—Yes, because we always buy and sell by the short price.

5409. Upon the whole were the Congos and Boheas of a quality that would find ready sale in this country?—Yes, they were sufficiently fine for sale; any tea that is clean and decent will always find a sale; for what is not sold in London the dealers will send to manufacturing places, and if the price is but congenial they will take anything, if it really is tea.

5410. Do you consider that the tea which is sold at the Company's sales is much adulterated in the tea-dealers shops in London?—Not in London; I do not think there is any adulteration in tea; they mix the Bohea, which sells at the Company's sales at about 1 *s.* 5 *d.* to 1 *s.* 6 *d.*, with Congo teas, because the duty is so heavy the people in the country cannot afford to give it. It is the fashion now to have every thing at a low price, and that pervades every thing, on the supposition, I suppose, that the people get too much profit; but they drink such tea there as I would not drink.

5411. Did you ever look at the quality of tea sold in country towns and villages?—Yes.

5412. Do you consider it very much adulterated?—I consider it so much inferior, that if I go out I always like to take my tea with me; if I were going out of town, I mean.

5413. Is the adulteration there merely a mixture of inferior teas, or is it that some ingredients are mixed which are not teas at all?—I really cannot tell what it is composed of, and I defy any person to say what it consists of; it is like the coffee, which is sometimes mixed with what is, I suppose, ground beans.

5414. If a mixed sample of tea were presented to you, you could point out the portion of the different qualities, could you not?—That is rather difficult; I could no more tell than I could as to a pipe of wine, whether it was all of the right kind. I could tell whether it was good if I tasted it.

5415. Could you tell whether there was any part which was not tea?—At times I might. I presume the question alludes to the mixture of adulterated leaves which took place some time ago.

5416. In your opinion is not there a good deal sold in remote parts of the country as tea, which is not tea at all?—Yes, I conceive there is; what I have tasted in considerable towns that they call tea, which is very bad; there has been black tea coloured and passed off as green tea when the price was very high; persons have been fined for so adulterating.

5417. Do not you consider that that disposition to adulterate arises very much from the people in the country not being able to get real tea at a reasonable price?—By no means, they may have it at a reasonable price; when a man sells six or a dozen chests in London he would be ashamed to do that, and he would be subjected to penalties; but in some parts of the country I think they will do those things: a country dealer is the most unfortunate being living almost in a country shop. When there was a quantity imported from the Continent, when the East India Company had not sufficient after the Commutation Act, there was the greatest importation of rubbish that ever was exhibited in this country.

5418. From whence did it come?—From Holland chiefly.

5419. Is there a sufficiency of the low-priced teas put up at the sales?—I think that 1,200,000 pounds of the common Boheas is sold every sale, or as nearly as possible.

5420. Is there as much as the consumption will take?—Quite so; in fact we refuse tea almost at every sale. An observation has been made, from Scotland principally, that the East India Company did not put up enough, but as soon as they put up more, they found fault directly, because it lowered the prices of their stock in hand.

5421. Do you mean to say that tea is refused at the upset price of the Company?—Yes.

5422. And that of qualities in ordinary consumption?—Yes; it has sometimes been bought at a higher price; the Company is bound by charter to put up their

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teas at the price it stands them in; the advance price is supposed to be their profit; but when they do not fetch the upset price, at the following sale they are put up without a price, and fetch as much as they can by competition.

5423. Where they are put up at the upset price, are there any of the teas of ordinary consumption, such as Congos, ever refused at the upset price?—Yes, there were, last sale.

5424. Were they refused for quality, or for redundance of quantity?—Partly from both.

5425. How comes it that you, as a broker, pay any advance upon the upset price of the Company for any tea, where you are sure of getting some at the upset price itself, if the Company put up a sufficient quantity to lower the price down to the upset price?—The fact is, we buy the better sort, and refuse the inferior qualities, if there is too much put up. I look upon the interest of the Company and the trade to be one and the same thing. If they put up a larger quantity than the consumption would carry off, then if that tea is put up next sale, and bought, the price of it only serves to lower the price of the other; the redundancy of the quantity will occasion that.

5426. If the Company were in the habit of putting up so much of any certain quality as that it should be rejected for redundancy, would it not necessarily follow that the teas of that quality must sell at the upset price?—The other teas would be refused, of course, if they put up the same quality, and they have refused some of them; they would not buy any more than were wanted for consumption, for the sale is four times a year, and we seldom have an advance of a penny a pound; though the prompt is only the 29th of this month, any teas may be purchased at this time at the cost price, except the common Boheas, which have had a little run upon them, or only at an advance of a penny a pound.

5427. Generally speaking, the price at which they are sold is considerably above the upset price, is it not?—Yes, all teas must be above the upset price, unless where they have been refused at the former sale.

5428. If there was so much put up that a portion of it was refused, must it not follow that that portion so refused might have been bought by the trade at the upset price?—Supposing they had, and the consumption would not take it off, it would only remain on hand, and lower the price the succeeding sale; it would not answer the purpose of any one to purchase more than he required.

5429. Would it not answer the purpose of any one, if there always remains a portion which could at the close of the sale be got at the upset price, to purchase at that price?—They cannot buy that again at the upset price which is once refused; but at the succeeding sale they have the advantage of having that which has been refused at the upset price put up without a price, and they may purchase it at whatever it will fetch.

5430. Is it not the interest of the tea-dealer who buys the tea that the price should not considerably fall in the market?—I do not think the tea-dealers have much interest about it: if one could get tea a farthing a pound cheaper, he would do so. The squabble is as great as if they were to give away the tea instead of selling it.

5431. Is there any combination or agreement among the brokers as to the manner in which they shall conduct their purchases at the sale?—None at all. We hear one man say, I want six lots, and another, I want 10 lots; but they cannot obtain them by asking for them.

5432. Do you consider the quality of the tea to be deteriorated by keeping?—Not if it is kept in a dry place; black teas are sometimes the better for it, but green teas suffer. I look upon it that in consequence of the mode of gathering it in China the bloom on the Hyson and green teas falls off, and there is a rankness of taste comes upon it; in consequence, if it is kept a twelvemonth, I should say, that is very inferior to one purchased at the last sale of the Company, though of the self-same description. The same with gunpowders, that are described under the denomination of old, that has an unpleasant flavour.

5433. The black teas are not injured by keeping?—No, not at all, if they are kept in a proper place, and in good lead.

5434. You do not consider that if the Company's teas were sold immediately on their arrival they would be sold at higher prices?—No, not in black teas; but in green teas they would.

5435. Does tea gain or lose in weight by keeping?—I believe it gains, but it is

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so trifling; in a chest of 84 or 85 lbs. it may gain a pound, but it must lose sometimes. But we always buy and sell by the Company's weights. If they gave us more tea than we have paid for, we should sell at the same; we sell by the warrant, and the person judges of the article himself.

5436. Does the tea imported by the privileged trade sell so high as the Company's?—Very seldom: it is only when they import such tea as Gunpowder tea, and such teas as the Company do not import, or there are scarcely any sold in the Company's sales, but the Congos and Hyson teas are reckoned far superior to those imported by the private trade officers, and fetch a higher price; we sometimes give as high as 5 *s.* 6 *d.* to 6 *s.* a pound for Company's, while it is a rare thing for the private trade teas to make more than 3 *s.* 10 *d.* to 4 *s.*

5437. How happens it that the Company's teas in their books are never marked as very good, or very fine, or superfine?—It has been left off since the Commutation Act.

5438. No teas are so marked now?—No; the trade taste the quality, and judge of them, as they take samples for themselves, and where they agree they suppose they are right.

5439. Do you mean to say that none of the teas that come to private individuals are superior to many of those sold by the Company?—Supposing a person has a relation at Canton, he sends a present of a box of tea, which he obtains from the Hong merchant, and he gets it as a particular sort of thing, like a friend sending from Oporto a particular pipe of wine, but that is not a thing to be regarded in the market.

5440. The Company do not sell such teas as those?—That is a thing which is quite out of the way; it is something choice and out of the way, like fine fruit from a gentleman's own garden.

5441. Are you of opinion, that if the Company were to import some teas of lower qualities than they at present import, they would be suitable for the consumption of the poorer classes of people?—I think they might; but that it would be very great impolicy for them to do so; that they would hurt the trade at large if they did so; the low Bohea tea now is sufficiently low for consumption.

5442. What is the lowest price at which Bohea tea sells?—1 *s.* 5 *d.*; it is put up at that, therefore one farthing per pound above that will purchase it; but it is mixed with other tea; it is then put down at the price at which they want to retail it; it is written up in London at 3 *s.* a pound in various shops, sometimes at 3 *s.* 4 *d.*; that stands them in 2 *s.* 10 *d.*; the duty they pay is 96 per cent upon that, and 100 per cent on all above 2 *s.* per pound.

5443. What does that sell at in the retail shops?—From 3 *s.* to 3 *s.* 4 *d.*

5444. Do not you think that if instead of 3 *s.* 4 *d.* good Bohea tea could be sold in the country at 2 *s.* for instance, that would materially increase the consumption?—I recollect perfectly well when the Commutation Act was passed, and then the price of tea was lowered very considerably, being subject to only twelve and a half per cent duty, and the public at that time were so displeased with the quality of the tea, though they had the self-same tea they would have had before, the Company took it all back at the same cost; the people would not drink the tea; they said it was bad, and some were even fools enough to go to houses I could mention where they might have good Hyson tea, which stood them in 5 *s.* a pound, and pay 12 *s.*, 14 *s.* and 16 *s.* a pound, because they said it could not be good if offered at those low prices; and to this very day the best consumers of tea in this country, for the good of the tea-dealers, are the servants at your own houses, for they drink black tea at 6 *s.* and 8 *s.* a pound, when you may drink it, in many instances, at a shilling or two a pound less.

5445. In the instances you refer to, the people concluded that the tea could not be good because it was cheap?—Yes; and if the Company imported lower priced teas, they would find fault with the very article they were in the habit of consuming, because it was at a much lower price.

5446. So that if by the reduction of duty the teas were sold at a much lower price, you think they would refuse to take them?—Yes; they would not drink the lower teas. I am convinced that was the effect which occurred at that time.

5447. Was the tea you speak of that which was so bad which came from the Continent?—No; the tea I have seen on the Continent was a strange sort of mixture, it was bought of what are called the outside dealers in China; they sent over stuff which is not tea; it is prohibited now, but they only fine the officer for bringing it over; a good deal of that was what was called Caper tea.

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5448. You referred to some bad tea which came from the Continent: in what year was that?—I think about the year 1786 or 1787.

5449. How came it to be imported into this country?—The consumption was so great in consequence of the taking off such a mass of duty as was then attached to it; they paid 1*s.* a pound, and 25 per cent upon the cost-price; the two duties were added together, and 15 per cent added to that. There was not a tenth part sold by the East India Company at that time which there is now.

5450. That was imported in consequence of the East India Company not having a sufficient supply?—Yes, because they used to smuggle it; there was hardly a tea-dealer's house at that time but was under the necessity either of doing that or shutting up his shop.

5451. Do you conceive there is much smuggled tea in the trade now?—I think very little; there is a little perhaps at a few of the outports, but if there is, it is only the fine Gunpowder tea; they make that answer, but by the time they have hawked it about the country it is very much the worse for it.

5452. Previous to the lowering the duty, during the great smuggling taking place, was not the best tea in the market the smuggled tea?—That I cannot say; I do not think it was; it was brought in bags from the Continent by the smugglers, and hawked about the steets in various ways; but they used to buy the Company's teas to mix with it.

5453. You have stated, that where a larger quantity than usual was put up by the Company complaint was made; by whom was that complaint made?—By the Scotch buyers; they happened to have a surplus quantity at that very moment.

5454. Supposing the tea-dealers generally to have a stock of tea on hand, it would not be for their interest that the teas at the Company's sales should sell at a lower price than at which they have purchased their own?—They would refrain from purchasing when they have got a stock in hand, for they can only take a certain portion, and they are obliged to pay the duty at the time they pay for the tea.

5455. Therefore they are interested in the price not falling?—It is their interest if they have got a stock in hand; but where there are so many hundreds of them, they none of them keep a stock; they only buy what they conceive will be their consumption from sale to sale, for they would have to pay a large sum beforehand for the duty; the sales come so frequently, and they are delivered so early from the sale, that no person keeps a stock on hand; the remnant at the end of every sale is, I apprehend, very small in the dealers' hands.

5456. Are you at all acquained with the foreign trade in tea?—I have been on the Continent, and have looked at their foreign tea trade, and was very much surprised at seeing how little they understand of the matter. I went to Antwerp on purpose, and they took a chest of tea, and bored a small hole, and they took the sample out on a bare board, and said, "there is some fine tea for you."

5457. What should you say is the general quality of tea they bring?—It is chiefly the Congo tea.

5458. And of an inferior description?—Yes.

5459. What is the comparative quality of the tea sold by the Company, and the samples you have examined?—I think that some of those samples of tea were picked qualities of tea, superior.

5460. The question refers to the Congos and Boheas?—Those are not so good as others; I suppose the fine Pekoes and others come from Russia; that they are overland teas.

5461. Are you acquainted with the description of teas called Souchong, imported into America?—I know the quality of that tea, but I do not know what are imported into America; we used to ship to America in general rather an inferior sort of tea; we never sent fine Souchong teas; very few people will take very fine Souchong teas, unless it is gentlemen who have a fine taste in this country.

5462. Did you ever drink tea made abroad?—Yes.

5463. What is your opinion of it as to quality, comparatively with that drank in this country?—That it is much inferior in quality.

5464. At what places did you drink it?—It was in Holland, at Antwerp, and round about; the teas were then inferior decidedly to ours; we went over and took tea with us, and tried their tea; I did it from curiosity: I found it very inferior, and very much neglected.

5465. At what time were you there?—I was there in the year 1814.

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5466. You have not been abroad since that period?—No.

5467. Have you had any opportunity of ascertaining the quality of teas there at a later period?—I understand they have taken a greater quantity of fine Hyson in Paris of late, but that that is chiefly owing to the number of English there.

5468. You will therefore infer that the demand for the better tea has produced a supply of the article on the Continent?—Where Englishmen go, I think it has.

5469. Are you aware that up to the years 1814 and 1815 there was very little tea sent to the Continent of Europe?—Very little; there had been no encouragement.

5470. Are you aware that there is a considerable increase in the import of tea on the Continent of Europe since that period?—Yes.

5471. The price of tea in Holland is lower than the price here, is it not; the short price?—I understand it is, that they can find no sale for a great deal they have there. There was a great deal of money lost by their first importation.

5472. Do you conceive the difference of price is commensurate with the deterioration of quality?—In some instances it is.

5473. Supposing the tea-trade to be thrown open like any other trade, would it be for your interest as a broker, or not?—I have a very great doubt which way it would operate. I cannot give an answer to that question.

5474. A good deal of tea, probably, would be sold at Liverpool and the outports?—Yes; I suppose that it would be taken about the streets in barrows as other things are, and that then people would not take it at all.

5475. You think it is possible it might be to your injury, because people would leave off drinking it?—That would be, no doubt, to the injury of the dealers and the brokers.

5476. Did not you say that the reduction of price in 1786, from the reduction of duty, was the cause of importation from abroad?—It was obliged to be brought, because the Company had only two sales in a year, aud they sold much less than they do now.

5477. Did they sell less tea at the period of that importation from abroad than they did before or after?—They sold a great deal more afterwards; but they had cleared the Company's warehouses of all the tea.

5478. What caused the Company's warehouses to be cleared?—The demand, which produced a scarcity.

5479. Was that the effect of increased consumption?—No; they sent over to the Continent to buy teas.

5480. What occasioned the scarcity?—Not having the quantity by them at the time. Directly the Commutation Act of the year 1784 passed, when they reduced it to 12 ½ per cent, so many turned tea-dealers; where there were 1,000 tea-dealers there were immediately 20,000.

5481. Did not that reduction of duty extend the demand?—Yes, because the stock held by those persons was excessive. If you have 100 or 1,000 shops, every one must have a portion of stock in them ready for sale, and there must be a surplus quantity on their hands, and there must be 10 times the number provided. There were 1,000 instead of 100, and there are now 60,000 or 70,000 tea-dealers altogether in England. This can be known from the Excise.

5482. The taking off the duty at that time produced a very much increased demand in this country?—Yes, it did; but the tea was brought from the Continent which used to be smuggled in, and the India Company were obliged to buy that tea to supply their sales.

5483. Was it not the case before the passing of the Commutation Act that the consumption of England in tea was in a very important degree supplied by smuggled tea?—I suppose three fourths were smuggled in.

5484. As the demand increased from the lowering of the duty, and as the lowering of the duty checked the smuggling altogether, would it not necessarily follow that the demand upon the Continent for tea arose from that circumstance?—Certainly, because the tea that they imported found its way into this country.

5485. The smuggled tea came in from the Continent previously?—Yes; three fourths of it was smuggled before that.

5486. Suppose the duty now was lowered to 12½ per cent, as it was by the Commutation Act, and that the Company were to reduce their charges so as to put the upset price 30 per cent lower, would that increase the consumption of tea in this country or not?—It would increase the consumption, no doubt.

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5487. You think that any thing that lowers the price would increase the demand?—Yes; but if the Government were to lower the duty, it would have a greater effect than the Company lowering the prices; but that effect would be, that the prices would be better for the finer qualities, for they do not bear an equivalent to the lower qualities.

5488. Supposing the Company were to lower their prices 25 per cent, the reduction of prices to the consumer would be more than double that amount at the present rate of duty?—Certainly it would.

5489. Would not the lowering of the price by the Company have a greater effect than the mere lowering the duty by Government?—It would come to the same point whether the Government or the Company lowered it.

5490. You are of opinion that lowering the price would increase the consumption?—Yes.

5491. What is the ordinary advance upon the upset price at the Company's sales?—The Congo teas, which they put up at 1 *s.* 8 *d.* per pound, sell at about 2 *s.* 1 *d.*; on the average to 2 *s.* 2 *d.*; that is the principal profit, in my opinion, which the Company get upon their tea.

5492. The average increase upon the Congo teas at that price may be taken at about 5 *d.* to 6 *d.*?—Yes; but that is only on a portion of them; for when they put up tea at 2 *s.* 1 *d.*, it frequently fetches only a farthing more, or is in some instances refused.

5493. Do you know whether any of the brokers who attended at the Board of Control saw the tea in the chests in which it came over?—I understood that two or three of them did.

5494. How long had you the samples before you examined them?—Ten days.

5495. Did not the brokers say that they thought they should be able to examine the teas better if they took them home?—Yes, at their houses.

5496. At the time they made their request, they did not, of course, feel that the tea would be at all deteriorated by being taken out of the chest?—No.

5497. Are you aware of what difference there has been in the price of tea put up at the Company's sales; what fall there has been in those prices in your recollection?—Very trifling in point of price; I do not suppose there has been 2 *d.* or 3 *d.* a pound within the last 10 years.

5498. Do you recollect farther back?—I do not, without referring to the sale-books; but I do not think there has been any material reduction since the Commutation Act.

5499. Is the trade in the habit at all of remonstrating with the Company as to the quantity of tea they put up at a sale?—No.

5500. Are they never consulted?—Sometimes the clerk asks the question, but we never consider it of any consequence what answer we give, for we do not think it has any effect.

5501. The trade never expresses an opinion that the quantity is too great or too small?—Yes, that they are overloaded with tea; they come there with long faces, as they do in other places, but they are never much attended to.

[*The Account referred to by the witness was delivered in and read, as follows:*]

SAMPLES of TEA from the Continent of Europe and America.

No.	No.	No.	No.
1. Bohea.	19. Young Hyson.	37. Souchon.	55. Young Hyson.
2. Ditto.	20. Ditto.	38. Ditto.	56. Imperial.
3. Congo.	21. Hyson.	39. Pecco.	57. Ditto.
4. Ditto.	22. Ditto.	40. Ditto.	58. Ditto.
5. Campoi.	23. Ditto.	41. Songlo.	59. Gunpowder.
6. Ditto.	24. Imperial.	42. Ditto.	60. Ditto.
7. Souchong.	25. Gunpowder.	43. Ditto.	61. Ditto.
8. Ditto.	26. Ditto.	44. Tonkay.	62. Hyson skin.
9. Ditto.	27. Bohea.	45. Ditto.	63. Songlo.
10. Pecco.	28. Ditto.	46. Ditto.	64. Hyson.
11. Ditto.	29. Congo.	47. Hyson skin.	65. Imperial.
12. Ditto.	30. Ditto.	48. Ditto.	66. Gunpowder. (Poudre à Canon.)
13. Hyson skin.	31. Ditto.	49. Ditto.	67. Bohea.
14. Ditto.	32. Kampoo.	50. Hyson.	68. Kempoy.
15. Ditto.	33. Ditto.	51. Ditto.	69. Souchon.
16. Twankay.	34. Ditto.	52. Ditto.	70. Ditto.
17. Ditto.	35. Souchon.	53. Young Hyson.	71. Pecco.
18. Ditto.	36. Ditto.	54. Ditto.	

(*continued*)

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No.	No.	No.	No.
72. Black-flower tea.	80. Hyson.	88. Pouchong.	96. Hyson skin.
73. Ditto.	81. Young Hyson.	89. Ditto.	97. Young Hyson.
74. Black family tea.	82. Ditto.	90. Gunpowder.	98. Tonkay Hyson.
75. Ditto.	83. Hyson skin.	91. Ditto.	99. Hyson.
76. Green tea.	84. Ditto.	92. Tonkay Hyson.	100. Ditto.
77. Ditto.	85. Souchong.	93. Souchong.	101. Ditto.
78. Hyson.	86. Ditto.	94. Ditto.	102. Ditto.
79. Ditto.	87. Ditto.	95. Hyson skin.	103. Ditto.

William James Thompson, Esq. called in; and Examined.

W. J. Thompson, Esq.

5502. YOU are a tea broker?—I am.

5503. Your business is to purchase at the Company's sale for account of the wholesale dealers in tea, is it not?—It is, for the dealers generally, both wholesale and retail.

5504. Were you called upon to examine certain samples of tea by the Board of Control?—Yes,

5505. Did you examine them at the Board of Control, or where?—At the Board of Control. The brokers who were appointed, with the exception of one, attended, and we were shown into two rooms, where the packages were. They were opened in our presence; and among us, dividing ourselves into parties, we put up the whole 103 samples, ten from each package; they were, with the lapse of one day, sent to our houses, where they were examined by each of us separately.

5506. You took that tea out of the chests at the Board of Control, and made it up into parcels to be sent to your own houses?—We took out of such packages as were chests, such as were boxes, such as were tin cases, such as were paper parcels; for they were in various packages.

5507. Were there many of them in paper parcels?—The greater part were in chests, boxes, and tin cases; not a very large part in chests, but there were some in paper parcels. I could state what they were by my memorandum.

5508. Do you consider that the samples of the teas of more general consumption, the Congos, Boheas and Hysons, were in a state to enable you fairly to judge of their quality?—Two or three of the samples were somewhat injured; they had a musty smell and a musty taste.

5509. Do you mean, arising from the manner in which the samples had been treated, or do you suppose that bad taste and smell attached to the article in its former state?—I should suppose that mustiness arose from adventitious circumstances subsequently to its shipment in China, but whether from the original package I cannot say.

5510. Did you suppose it to arise from the manner in which the sample had been kept?—In the Bohea and Congo I did not find any; in the Campoy I did, and in the Pekoe I did; they were in paper parcels.

5511. Upon examination did the brokers agree pretty well among themselves as to the value, or was there much difference of opinion?—There was on some samples difference of opinion, but those were samples not much in general use.

5512. There was not much difference of opinion upon the samples of teas of ordinary consumption?—With the exception of two or three samples there was not; not more than two or three.

5513. Speaking of the teas of more general consumption, were they samples of good merchantable teas?—They were.

5514. Were they of such teas as would have sold readily in this country to a large extent.—Yes; and that our prices will show, as compared with the Company's.

5515. Were they upon the whole better or worse than teas of the same description of the East India Company?—Very similar to the teas we have been accustomed to have in England by the Company's own importation, and the importation of the officers in the privilege the Company permitted them to have.

5516. If those teas had been presented to you at the Company's sale you would not have thought them either better or worse than the ordinary qualities offered for sale by the East India Company?—Just so.

5517. You were not told where the samples came from?—It was understood that we were not to know; and, therefore, we did not inquire from whence the samples were brought.

5518. Did

5518. Did you know what the cost-price of the teas was at the places from whence the tea was sent before you made your valuation?—No; nor have I ever heard it.

5519. Do you think the tea in this country is to any extent adulterated in the retail shops?—I think it is not.

5520. Did you ever examine the teas that were sold in the small country towns and villages in England?—No, I have not had opportunity; my residence has been in London for nearly 20 years.

5521. Do the teas deteriorate much by age?—I consider that the common black teas are improved by keeping, if they are kept in a proper place.

5522. By keeping two years?—Yes; I should say so decidedly, that the common sort of teas the East India Company import are better liked by the public than they would if quite fresh; they used not to be; they are now.

5523. What is the quality of tea imported by the private trade?—Generally inferior to the Company's; some teas are better, but very seldom.

5524. They generally sell at proportionably less prices?—They do.

5525. You are not at all aquainted with the foreign market for tea?—No, I have seen samples of tea from abroad, but not very generally.

5526. Does that opinion of your's respecting the commoner kinds of tea being improved by keeping, apply to the very finest sorts of tea?—I mean to speak of black tea, because green teas become worse often by keeping; the Hyson teas do; the black teas lose some of their finer properties by being kept; but they get stronger, and we have an increased demand in this country for strong teas.

5527. Do you apply that to the green teas?—No, the black only.

5528. Do you conceive that the green is improved by keeping?—Common green tea I do not think is much altered; the Hyson tea will become deteriorated.

5529. The preservation of tea depends very much upon the place and manner in which it is kept, does it not?—Yes.

5530. Have you seen the Company's tea warehouses?—Yes, I have.

5531. Do you think them very well adapted to the preservation of tea?—Yes; the cellars are not, the warehouses are.

5532. Is the tea kept in cellars?—When the Company's warehouses have been very full, the teas have been put into the cellars, and we had at the last March sale some teas which I have reason to think had been put into the cellars. I thought so from the smell. I inquired, and was informed they had been put there on being first imported, till they could be put above.

5533. Do you think that common Bohea tea improves by keeping; is it not the case that if it has been kept more than one or two years, it sells for less?—I should not be inclined to think that. I should think it would sell at rather a higher price, because it would be stronger.

5534. The private trade teas are sold immediately on their arrival in this country?—As soon as they can be; that the officers may have their accounts closed.

5535. Do they sell at a higher price in consequence of being fresher?—No, but the quality is not so good as the Company's in general.

5536. It appears on looking at the brokers' book that there is no tea of a higher quality than good middling; and that the kinds called good, very good, and superfine, do not appear to be mentioned in this account; can you account for that?—Those terms are now very much out of use; they were adopted very many years ago; and when the Company importing a parcel of teas had in one break or chop two or three qualities, they were frequently obliged to take out chests that were very inferior, and perhaps mixed with leaves that were not altogether tea; but of late years the Company have, I suppose from their good regulations, avoided that, and we have no occasion to use the higher marks, so that they have sunk into disuse; but we differ in our use of the technical terms from their common acceptation; what we call middling, persons in general would call fine, and so on; our terms are too low for the real qualities.

5537. Since what time has the alteration taken place in the marking?—I have been a broker now for 24 or 25 years, and we have not used them since I have been a broker; we hardly ever use higher than good middling; we do now and then use the word good for some of the Company's best, perhaps two chops of Hyson.

5538. Supposing teas of lower quality than the lowest now put up offered for sale, do you think there would be a considerable demand for those teas?—Yes, of the Congos.

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5539. Have you any reason to believe there is any quantity of what is called tea sold by the retailers in this country, which is not tea in reality?—I think there is not any considerable quantity; there may be attempts to make an adulterated article, but not to any great extent.

5540. Do you think there are other vegetable substances mixed with the tea to any extent?—I think not.

5541. There is an impression that ash leaves and sloe leaves are mixed, do you think that that is done to any extent?—I do not mean to say that it is not done, because it was stated in the Excise, a few years ago, that they had discovered it to be prevalent, but I do not think that that goes to any extent.

5542. You are aware that before the Commutation that was carried to a great extent?—So I am informed, but that was before my time.

5543. Are not the lower priced teas mixed to a considerable extent with the higher priced?—As a broker I cannot speak to that.

5544. Are you of opinion that if the price was considerably lower, the demand would be greatly increased?—I think it would be increased.

5545. To a considerable degree?—I cannot indeed say; for the use of coffee is increasing; though to what extent it is increasing I cannot speak.

5546. Do you think the consumption of coffee has beat out the consumption of tea to any extent in the country?—I do not think it has beaten it out; but I see by the returns that the consumption of coffee is increasing, while the consumption of tea, I believe, is not increasing, if it be not retrograding.

5547. Supposing the reduction in the price of tea equal to that of coffee, should you be sanguine that the consumption would increase in any thing like the same proportion?—I should rather look to the event than offer an opinion upon that.

5548. There has been a considerable reduction in the price of coffee?—There has.

5549. And not a similar reduction in the prices of tea?—Not to the same proportion, perhaps; but there has been a considerable reduction in the prices of tea.

5550. Can you state in what proportion?—If I go back as far as 20 years, looking to my commencement in life, in Twankay teas, it is one third; in Congo teas it is one third within 20 years.

5551. How is it in Bohea teas?—That has varied less than the Congo and the Twankay.

5552. At the Company's sales there is very little of the tea which does not sell above the upset price, is there?—Sometimes we have had during the last year, at two or three of the Company's sales, tea which has not sold at the upset price; at the last March sale the whole of the black tea put up did sell.

5553. At any considerable advance on the upset price?—The average, I should think, but I have not looked at it, from a penny to a penny halfpenny per pound on the common contract teas.

5554. Do you consider that the upset price has much to do with the sale price?—Yes, decidedly it has to do with it; because if the upset price were to be lowered, from the system the Company pursue with regard to the quantity they offer at each quarterly sale, the trade would give but a small advance upon that upset price.

5555. Does not the price mainly depend on the quantity put up for sale?—The price does depend upon the quantity put up for sale; but we have found that the Company have uniformly given quantities of tea equal to the expected consumption. The trade have considered that the Company being well informed have taken care to do so.

5556. Does the trade consider that the Company make a judicious decision as to the quantity put up at the sale?—That I cannot say; there is a difference of opinion prevailing.

5557. What is your own opinion?—My own is rather a mixed opinion; I should rather conceive the Company have a view to their own profit in the quantity of tea they put up, and that they do not overdo the trade.

5558. You conceive that they do regulate their quantity with a view to the amount of profit they expect to derive from it?—Yes; at the same time that I conceive they do regulate the quantity so as to be fully equal to the demand they expect, and that they calculate by former experience.

5559. You do not think that the trade has much to complain of from the

manner in which the Company regulate the quantity put up for sale?—I should think not. *W. J. Thompson, Esq.* 20 May 1830.

5560. Can you state when the fall in the price of tea you have spoken of commenced?—I think it commenced from about the year 1814, from about the time of the renewal of the Company's charter; that it has been gradually declining from about that time.

5561. State any facts from your papers which will establish that fact?—I should think the East India Company keep an account of the average prices, which would show that.

5562. Do not you imagine that the fall in price has been much greater since 1827 than it was previously to 1823?—Yes, I know that from recollection, but I think there is a fall since 1814.

5563. Do the brokers charge a commission on the purchases they make?—Yes, that is their only means of support.

Lunæ, 24° die Maii, 1830.

Patrick Kelly, LL.D. called in; and Examined.

5564. YOU have been directed by the Committee of the House of Lords to prepare a calculation of the results of the statements which have been made of the prices of tea which have been laid before that Committee?—I have. *P. Kelly*, LL.D. 24 May 1830.

5565. Can you furnish this Committee with a copy of the same?—I can; but the calculations are not quite ready.

5566. Will you have the goodness to explain, by a note on the paper, whether the duty is deducted or included in the prices, and on what principle the rates of exchange between the foreign and the British are computed?—I will.

5567. You are the author of the Universal Cambist, are you not?—I am.

5568. When the Court of Directors ordered standard weights from different parts of India to be sent to you in order to complete that work, did you receive any standards from China?—No, nor could I learn that any had been ever received in this country.

5569. Will you state on what data you have made the calculations which appear respecting the weights of China in your Cambist?—From written authorities, chiefly German, French and English, and their statements were found to agree with great exactness; but I have had a further corroboration of their accuracy by means of attested standards, which have been lately transmitted to England by Mr. Reeves, the East India Company's Tea Inspector at Canton, and they are now in the possession of Mr. Goodhall, the Superintendent of the Company's tea warehouses in London.

5570. Then what do you now consider the real weights of China; and explain to the Committee how they are divided?—The tale is generally considered the unit, 16 of which make the catty, and 100 catties the pecul. The tale is subdivided into 10 mace, 100 candareens, and 1,000 cash, and according to recent experiments verified at the London Mint it equals 580 grains troy, which is only one-fifth of a grain more than the statement in the Cambist. The catty and pecul are of course in proportion; but there is a discrepancy in commercial practice in the computation of the pecul, which ought to be noticed. It is reckoned to weigh 133⅓ lbs. avoirdupois, but its true weight is 132 lbs. 9 oz. It is stated in old books at the India House to weigh 132⅔ lbs., and this addition of ⅔ lb. has no doubt been adopted for the convenience of calculation, for thus 3 peculs are reckoned to make 400 lbs., 3 catties 4 lbs., and 3 tales 4 ounces avoirdupois. It may likewise diminish labour to observe, that 24 tales answer exactly to 29 ounces troy.

5571. How are accounts kept in China?—In tales of 10 mace, 100 candareens, and 1,000 cash.

5572. What are the coins of China?—I believe they have no national coins, except cash, which are of base metal, and of variable value. Foreign coins, how-

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ever, occasionally circulate, especially Spanish dollars, which are sometimes cut into small proportions for change. The tales, mace and candareens are of course monies of account, and vary in their value according to circumstances.

5573. What is the sterling value of a tale weight of silver in British silver, in dollar silver, and in pure silver?—The tale weight of British standard silver at 5*s.* 2*d.* per oz. is worth $74\frac{9}{10}$*d.* sterling, and of dollar silver $72\frac{2}{10}$*d.* sterling. The same weight of pure silver is worth $80\frac{9\,6}{10\,0}$*d.* sterling, which is nearly the estimated value of the money tale in the books of the East India Company, and was probably the origin of such valuation.

5574. What is the present value of the rupees of Calcutta, Madras and Bombay, at 5*s.* 2*d.* per oz. British standard?—The Sicca rupee of Calcutta is worth $24\frac{8\,9\,8}{10\,0\,0}$*d.* sterling. The rupees of Madras and Bombay are each worth $23\frac{3\,5\,2}{10\,0\,0}$ pence sterling; and therefore the pound sterling equals $9\frac{6\,3\,9}{10\,0\,0}$ of the former, and $10\frac{2\,7\,7}{10\,0\,0}$ of the latter.

Jovis, 3° *die Junii*, 1830.

Mr. *John Truelock*, Surveyor of Tea Warehouses in the Excise, and Mr. *William Wybrow*, Registrar of Tea Sales in the Excise, called in; and Examined.

Mr. *J. Truelock*, and Mr. *W. Wybrow*.

3 June 1830.

5575. HAVE the goodness to state the manner in which the East India Company's tea-ships are unladen, and the teas deposited in the tea warehouses?—(Mr. *Truelock.*) When they are first brought into the East India Docks notice is given by the Company to the principal officer of excise of their intention to unload those teas. We then despatch a warehousekeeper down for that purpose; he sees each chest individually unloaded. There is a person appointed to attend our mark, and a number is cut, I believe, by the Company; but that does not come under my notice. There are also two clerks belonging to the Company attend at the same time at the side of the vessel in the dock. They are then placed in a covered caravan, locked by two locks, one of the excise and another of the Company, and sent up to the East India warehouses. There are also two tickets sent by the same van in a box locked. When they arrive at the warehouse they are received by the revenue officers and the servants of the Company, who deposit them in the warehouses. That officer is called a Locker; he remains in each warehouse-yard.

5576. What do those officers do?—They unlock the van, having a duplicate key of the box in which the key is sent from the docks enabling them to open the vans; they then deposit the teas in the warehouses, and examine to see that they correspond with the tickets placed in the box at the side for their information. They then return one of the tickets to show that they have received the tea safe. The other is sent to the Excise Office, to be entered in a book kept for that purpose. It is entered by two different officers, a locker and a warekousekeeper, in books kept for that purpose.

5577. Do the excise charge the Company, on this paper sent in, with the amount of tea landed?—We do not weigh them at the landing.

5578. In what mode is the tare of the chest ascertained before it is put up for sale?—That is ascertained by emptying a certain quantity of them; they are picked out of the different breaks and beds as they come home in the ships. Probably it is a variety of quantities which are opened; 30 or 40 chests may be opened, or five; it depends on circumstances. It is not a regular number that is examined; generally in proportion to the number taken by chance from among them.

5579. Does the registrar of tea take an account of the prices at which the tea is sold, and is the charge made on the Company accordingly?—(Mr. *Wybrow.*) Yes.

5580. What is the practice of registering the tea-sales with a view to ascertaining the price at which the public are entitled to the duty?—We receive catalogues with the number of each chest printed, from the Company; we have those ruled, in order to mark the prices and lines for the account, and from those prices taken at the sale, duty is charged. If a lot of tea is put up at a certain price by the Company, when there is any advance on that price, even a farthing a pound, the lot is

Mr. *Truelock*, and Mr. *W. Wybrow*.

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peremptorily sold; if they do not bid beyond the putting-up price the lot is refused, and it is put by, and brought forward at a subsequent time without price.

5581. At what periods are the sales of the Company?—In March, June, September and December; there is a quarterly sale.

5582. Does any other list come under your inspection beyond that you receive from the East India Company?—No; there are two catalogues, one kept by the accountant of excise, and another by me; they are both furnished by the East India Company.

5583. After each day's sale are the prices compared by the different persons who have made the account of them, the registrar for tea-sales, the accountant, and the auctioneer?—They are.

5584. At the end of the sale is the same process pursued?—At the end of the sale there is a compare between the excise accountant and myself, and the duty is charged on the account taken by us.

5585. Are the teas weighed by the excise at the landing, or is the practice similar to that in respect of other merchandize?—(Mr. *Truelock*.) They are not weighed on the landing, but after they are put up for sale.

5586. Is the Government satisfied with the weights as taken at the East India Company's warehouses?—I never heard anything to the contrary. We consider the duty perfectly secure, being under our own lock; we make up every ship separately, and keep every ship's account completely separate.

5587. Do you mean to say that the chests are unloaded agreeably to the mani fest?—Yes; if there is any variation we notice it.

5588. The whole of the labour is performed by the Company's officers?—Yes.

5589. And without charge to the public?—Yes.

5590. Is it not the officers duty to see that the cargoes turn out agreeably to the manifest sent home with the ship?—That is the case.

5591. At what time, as far as you have information, is the duty collected by the Company paid to the Crown?—(Mr. *Wybrow*.) In about a fortnight after the prompt day.

5592. Have you any means of knowing whether there is any charge to the public in respect of that?—There is none whatever, that I am aware of.

5593. Are you solely employed about the tea?—(Mr. *Truelock*.) Yes.

5594. Are you paid by the Company, or by the Government?—By the King.

5595. Have you no other duty to perform?—None but tea; we have nothing under our charge but tea.

5596. What is the total expense of the tea establishment in London?—There are about 82 of us employed, and the whole expense is under 10,000 *l*.

5597. Are those 82 persons employed in the receipt of the tea into the Company's warehouses, and the discharge of it?—Yes, they are.

5598. Are they required also to look into the stocks of the dealers?—No, not at all; those officers land the teas at the docks also.

5599. Are not officers of customs and excise put on board the Company's ships from China and India for the protection of the revenue, in the same manner as they are put on board other merchantmen?—I have no doubt of that; but it does not come under our department.

5600. Do you not know that officers of customs and excise attend also at the East India Docks, and the East India House, for the protection of the revenue, as they attend at any other docks?—I have no doubt of that; but I cannot speak to it.

5601. You know the fact, as far as the excise are concerned?—Yes; we have officers attending there during the time that the ships are being unloaded, not at other times.

5602. Are not the officers of the excise employed to protect the revenue arising from tea in the same manner as they are employed to protect the revenue arising from tobacco, spirits, or any other article of import?—Yes, I apprehend it is the same.

5603. (*To* Mr. *Wybrow*.)—It is in your department to know the amount paid to the Crown for excise-duty?—I think it is about 3,300,000 *l*.

5604. The whole of the charge to the public in the excise department is about 10,000 *l*.?—I must refer to Mr. Truelock for that.

(Mr. *Truelock*.) That is without the establishment of the stocking officers. I am not aware of the expense of the establishment for superintending the dealers' stocks.

Mr. *J. Truelock*, and Mr. *W. Wybrow*.

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5605. Do you know any other amount of duty collected at so moderate a charge?—I do not feel competent to answer that question.

5606. Have you any means of knowing at what per-centage the duty on tea was collected in Ireland?—No, I am not aware of that.

5607. There is no other expense connected with your department in superintending tea, except that incurred in London?—No, I am not aware of anything further than this establishment.

5608. (*To* Mr. *Wybrow.*)—Have you not known the duty amount to more than 3,300,000*l.*?—Yes; I merely state that as the average sum.

5609. The duty on tea has decreased of late years?—I am not prepared to state that; but I think it has rather decreased.

5610. Is there any superintendence of custom-house officers upon the India ships after they arrive in the river?—(Mr. *Truelock.*) I believe there is an officer put in to take them up the river, what is called a tidesman, but I cannot speak positively to that; they are generally brought up by the custom-house officers till the excise take charge of them, and the custom-house officers remain in charge till the ship is discharged.

5611. Where does the custom-house officer come on board the ship?—In the Downs, or Gravesend.

5612. What detriment do you apprehend would arise to the revenue if the duty on tea was collected in the same manner as the duty on other articles, instead of being collected at the India warehouses, as it is?—I cannot answer that question, it would depend on so many circumstances.

5613. Would it be productive of loss, or not?—I apprehend that there cannot be any doubt of that.

5614. The qualities of tea are very different, are they not?—Very different.

5615. What is the practice as to the sale?—They are laid open, and the brokers take an ounce, if they please, out of each chest, returning an ounce of the same quality, which they bring with them; they have a little tin measure for the purpose, therefore there cannot be anything of consequence taken.

5616. The quality is very various?—Certainly; the prices prove the different qualities.

5617. Do you know how long it is since the collection of the duty on tea has been placed under the excise?—I cannot say; I have been there 35 years, and it has been so ever since I have been in the excise; the customs had a small duty as well, but now it is entirely under the excise.

5618. Do you consider that there is a greater convenience in levying a duty *ad valorem* than a duty of so much a pound?—I should think, with respect to tea, it is now collected very concisely, and with very little trouble, and every person must know what the duty should be to a farthing; I do not know how it might be if it was altered; I think there must be a great increase of business of every description.

5619. Supposing the trade was thrown open, do you think the same system which is pursued in London might be followed in the out-ports?—I cannot say; it depends on whether they have the same convenience; we have docks and warehouses which are very secure here; if they have the same places of security, it might be done, but it would be attended certainly with great additional trouble.

5620. Do you think there is any mode of collecting duty on teas so effectual and so likely to prevent fraud as the collection of duty in the manner in which it is by the produce of the public sale?—It is impossible there should be.

5621. Have you any information of the extent of smuggling?—We know of smuggling only from the seizures; they are very trifling.

5622. What experience have you had in the collection of other branches of revenue?—None whatever; I speak of the tea only.

5623. The answers you give are merely with respect to tea?—Yes.

5624. And that confined to the port of London?—Yes.

5625. Have you had any opportunity of judging how far the tea might be landed safely at Liverpool?—None whatever; I consider the thing as satisfactorily done at present.

5626. What smuggling of tea have you ever known?—That does not come under our department; the seizures are made by the custom-house officers if there is any deficiency; we have no seizing deputation, but that is with the customs.

5627. You know that custom-house officers are put on board the ships?—Yes, I know that to be the fact.

Joshua Bates, Esquire, again called in; and Examined.

Joshua Bates, Esq. 3 June 1830.

5628. HAVE you seen the observations made by Mr. Melvill upon the evidence given by you before this Committee on a former occasion?—I have.

5629. Will you state to the Committee how far you consider those observations of Mr. Melvill upon your evidence to be conclusive or not?—There are some slight errors in my evidence, which, with the permission of the Committee, I will correct; and in doing that, will make those observations that occur to me upon the evidence of Mr. Melvill. On my first examination my answer to interrogatory 3430 should have been, that the freight was included in the 25 per cent gross profit, which would leave from 5 to 10 per cent net profit, according to the description of tea composing the cargo. On my second examination, in answering interrogatory 3989, in order to save the time of the Committee I gave from memory the sterling price of a pound of Congo tea; on revising my evidence I found I had committed an error, which I corrected, giving the true cost of tea at 29 tale, exchange, 3 *s.* 11 *d.* 14 *d.* a. 19. From this I deducted, for 14 months interest from the date to the maturity of the bills, 5 per cent, or 70, leaving the cash cost at Canton 13 *d.* a. 49. As to wastage, there can be none on tea. I had supposed interrogatories 3987 and 3988 related to the difference in net weight here and in China, arising from different allowances, which I was aware varied in different markets. On inquiry I found that the Company's purchases and sales were by real tare, throwing up to the buyer the half pounds, and sometimes the odd pounds, which allowances I thought more than compensated by the gain in weight, which is invariable on tea brought to a moist climate. Mr. Lloyd states the real difference in net weight to be 2 per cent. He is probably right; but I do not think it worth while to disturb my figures, as I have overrated the freight very much. I had supposed that for so large an amount of tonnage many ships must go out in ballast; but Canton forms so natural a link in the chain of commercial operations with India, that a great portion of the tonnage would come from Bengal and Bombay to Canton, and would not cost over 2 *d.* per lb.; and from experience, since my last examination, I am convinced that 2¼ *d.* and 2½ *d.* per lb. is high enough to fix the freight for the present time, or any time within three years. Mr. Melvill states that the exchange is taken at too favourable a rate, and that the Compauy have not been drawn on at that rate: he has not stated at what rate the Company were drawn on. By the statement of Mr. Lloyd it appears that more than 4,000,000 of tales of the 6,000,000 required for the year 1828–29 were derived from bills on Bengal, and the sale of British manufactures, near 2,000,000 being for bills on Bengal. The official valuation prevents my getting at the rate of exchange at which these bills were drawn; but I have here a Canton prices-current of the 20th February, which gives it at - 202

of March - - - - - 200

and of April - - - - - 202

If 202 Sicca rupees, per 100 dlls., be taken as the probable rate at which the Company negotiated their bills, the exchange at Calcutta being at 1 *s.* 10 $\frac{3}{4}$ *d.* the exchange in London would have been established at a fraction under 3 *s.* 10 *d.* Bills in Calcutta are drawn at 30 days sight from Canton; the interest gained would therefore compensate for the expense of passing the operation through Bengal. Mr. Melvill states that the Company have sold in 1829–30 only 27,455,063 lbs. of tea; but in the general account of imports and exports I find the quantity of tea retained for consumption, deducting exports to colonies, &c. in 1828, was 29,305,757, to this should be added upwards of 200,000 exported to the colonies, making 29 ½ millions, which corresponds with Paper No. 38, signed T. G. Lloyd, by which it appears that the quantity sold in 1826 was - - 29,409,251 lbs.

1827 - - - 30,327,169

1828 - - - 29,982,080

This amount includes the private trade, which, as now carried on in teas, is only a branch of the monopoly. Taking 29 ½ millions, therefore, as the present consumption of those that are compelled to obtain their supply through the Company, and the difference between the price at which I have stated the tea could be sold, and yield a profit, if free, and the Company's sale price, which is 12 $\frac{14}{100}$, the total difference for the year 1829–30 would be 1,492,208 *l.* Since my last examination I have procured from Holland a sample of the tea which cost 29 tale, and also of that which sold at 3/1 ½ and 2/7 at the last sale of the Company; in my judgment, the Company's highest priced tea has the preference in quality, but

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that which sold at 2/7 is barely equal to the sample from Holland. Mr. Melvill states that the average cost of the Company's Congo tea, 1828–9, was 29 tales and a fraction. The Committee will understand that he probably speaks in the language of the India House, which means that the cost of the tea in tales, the expenses of the factory, loss on adventures in cotton, &c. &c. all added together, make that cost; for I cannot bring myself to believe that the Company's agents, who are clever men, would have bought Congo tea at the prime cost, on the average (in the common acceptation of the term prime cost) of 29 tales and a fraction, when the *highest contract price* was 29 to private traders, and teas of nearly equal quality were 60/1 at tale 18 in April, and the general prices-current quote it from 15 to 20 tales, with a heavy stock from December to that time. I never intended to state that the Company gained the sum of a million and a half, and can readily believe what Mr. Melvill states in regard to that.

5630. At what did the tea, which you state cost 29 tales, sell in Holland?—In Holland it will not fetch the cost at present. I beg to state that I have with me the prices-current to which I have referred.

5631. Do any other observations occur to you upon Mr. Melvill's remarks upon your evidence?—I have no other observations to make.

5632. Do those prices-current which you have produced now support the accuracy of the statement already given to the Committee as to the prices?—They do. January 1829 Congo tea is quoted 18 to 20 tales per pecul, and February the 20th from 15 to 18, with this remark, "There is said to be left over 40,000 chests of Congo and Souchong, exclusive of the Company's winter teas; the prices are likely to be very low hereafter." March the 17th 1829 the price had fallen to 15 to 17 tales. April the 6th Congo tea is quoted at 15 tales. I have quoted it at 15 to 18, because I know that very good Congo tea was bought at those prices.

5633. It would appear from your evidence that you rather think the Company buy their tea dearer than the private dealers?—The amount of what I have stated is, that I think the statement of Mr. Melvill embraces items which are not usually brought into the prime cost of tea; that therefore, according to my mode of estimating the cost of tea, he is incorrect.

5634. You observe that Mr. Melvill states that the Company pay at the rate of 29 tales and a fraction for their tea; and from the price-current to which you have referred, it appears that the highest was to be had in the month of March at 18 tales?—I did not state that *contract* tea was to be had at that price. Mr. Melvill states that the *average price* of Congo tea was 29 and a fraction; I state that I cannot believe that the Company's agents, who are clever men, have purchased Congo tea, of the qualities generally shipped, at the *average* prime cost, in the common acceptation of the term, of 29 tales and a fraction, when the *highest contract price* was 29 tales; and the inferior qualities and the winter teas, not bought on contract, would reduce that average much below the price of 29.

5635. Have you not read from the price-current that the price of winter teas was 18 tales, and in April reduced to 15 tales?—I have.

5636. Are you not aware that in the winter shipping is entirely over at that time?—I am not aware that it is, because I have seen invoices of teas at that period.

5637. Are you not aware that the Company are very large and extensive purchasers of teas?—I believe the Company make their purchases in a great degree by contract, which contracts must be entered into during previous or early parts of the year, and that the shipments are made in December; but that considerable portions of tea are purchased by the Company's agents in the market, perhaps 50,000 or 60,000 chests, at prices much lower. I have taken the highest price at 29; even the *contract prices* go down, according to the quality, to 23 tales; I think I cannot therefore believe that the average purchase-price of the Company's teas can be 29 and a fraction.

5638. Are you not aware, that after the best articles have been taken out of the market the refuse only remain, that may be had at a much inferior price?—I am quite aware of that.

5639. Does it not appear, that if the Americans purchase teas at 14 tales, those who have purchased at 29 have purchased dear?—I should say that 29 tales may be a very fair contract price, but the contract price for the different qualities of contract teas go down below 29 tales. I have stated that in the month of April Congo tea, of No. 2 contract quality, cost but 18.

5640. Is

5640. Is that the Company's contract?—It is the same thing; the Company have not the exclusive privilege of contracting.

5641. What is Number 2 quality?—It is a quality below the first.

5642. Is it better or worse than what may be called the average quality?—I should think rather better; Congo tea should be of very good quality at 29.

5643. At what time of the year was that?—The purchase was made in April 1829. The contract was entered into in the early part of the year, but the tea was shipped in December 1828.

5644. By whom was that contract made?—That contract was made by a correspondent of our house.

5645. Do private merchants make contracts as well as the Company for tea?—They do, and would oftener do so if they found it more profitable; but I apprehend they feel it more advisable to deal in the middling descriptions of tea.

5646. On reference to answers to questions 3251 to 3256, it appears that you have averred that it is very difficult to make even a par-remittance in teas; are the Committee not therefore to infer that the outward consignments have been profitable?—I should conceive so. Pp. 220, 221.

5647. Have the goodness to turn to the account of the 30th of April 1830, ordered to be printed 11th of May 1830; is it not the fact that since the Americans have taken manufactures from England, about two thirds of their imports have been in specie?—I should think it very possible that might be the case.

5648. In that case, where was the profit to arise from to satisfy the merchants against the loss on absence of gain in the tea investments?—That part of the business relates to America entirely, and the profits alone on tea and silks form the inducement to operate. The expeditions to Canton from the United States are undertaken by a variety of persons; one man will put in 5,000 dollars, another 2,000, and so on, making up the capital for a cargo of tea; those persons have not extensive credit abroad, and they have no knowledge of trade in British manufactures, it is only the more extensive dealers who have made themselves acquainted with that, and have continued to operate in it.

5649. You were never in China?—Never.

5650. You say the reason they sent dollars is, that they are without credit; how do they get credit?—The man who would send a few thousand dollars is unknown in the mercantile world; he may have no knowledge of British manufactures, and very little to do with England.

5651. Do you think that persons who have money could not buy goods if it was an advantageous thing?—They are ignorant of the trade in goods; they know nothing about it; and it would require a double capital to send goods, the sales of which are sometimes slow.

5652. Do you mean in the great shipping ports of America?—Yes; and even in London, where it is carried on, but few persons understand it; I mean the details.

5653. Do you think that if the traders of London found it more advantageous to send goods than bullion, they would not adopt that mode?—They would, but it would take some time for them to understand it, so as to conduct it successfully.

5654. Do you speak of manufactured goods?—Of manufactured goods. The persons who send out small sums of money may have no correspondents in London; they would have to deposit their money, and they prefer, in order to have less trouble, to send their silver; but that course, like the course to Bengal, was formerly very necessary. I think now it is not; and it is changing every day, and bills and credits are supplying the place of dollars.

5655. Upon the former occasion you stated that you could supply tea at two thirds the cost price the Company's trade supply it at?—I stated that I would supply the consumer of tea at one third less than the Company's sale-prices, and I calculated on its giving a very great profit; I meant one third of the price at which the tea is sold at the Company's sales.

5656. Are you aware that prospectively the Company is likely to supply tea costing 2 ½*d.* per pound for its carriage home?—I am not aware of that. I am aware that the freight ought not to be more than that in 1834; and it appears from the paper shown to me, that the rate of freight will be that; I should think that probably competition might carry it a little lower, but not much.

5657. Will you refer to the paper now shown to you, and state whether you are aware that the Company's freights are likely to be as low as 12 *l.* per ton in the

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year 1834 [*an estimate of future freight being shown to the witness*]?—I see by this paper that 11 *l.* 19 *s.* 11 *d.* is put down as the freight of 20 ships in 1834; but I do not know the object for which this is made up.

5658. If such be the fact, would not your computation be an excessive one, of the comparative cost of two thirds?—I only made that offer for the present time; I do not know what it might be at a future time; the Company might reduce their prices by bringing more tea to market; they might reduce it to a price at which no one would be willing to compete; but I merely remarked, as a proof of the sincerity of my opinion, that I should be willing to contract to supply the tea at two thirds of the Company's present sale prices.

5659. And that you compute that those prices would still give you what you call a fair commercial profit?—I was not without an employer in making the offer. I knew where I should get commission out of it.

5660. How much would your employer get?—He calculated on making a considerable sum.

5661. In making this calculation, that you can furnish tea to the English market at one third less than the Company, at what rate per cent do you reckon that you can purchase your tea cheaper in China than the Company do?—I cannot say if it would be bought any cheaper; persons on the spot differ as to the mode of buying. I am inclined to think it would be bought rather cheaper.

5662. Can you give anything like a proportion?—I cannot.

5663. In your calculation have you reckoned the tea as purchased in China at the same rate at which the Company purchase?—My calculation was, that in the present improved way of carrying on trade, saving the immense expense of those large ships, and the small expense of the London, St. Catherine's and other docks, in comparison with the present mode of managing tea, with the high price obtained by means of monopoly, would give a very large profit to the person who should import them on the present improved mode of doing things; that a person unfettered by any Act of Parliament, not having purchased large warehouses or docks to carry it on, would carry it on at a much less charge than the Company now do.

5664. And not being obliged to keep a stock?—Not being obliged to keep a stock; and he would spread his shipments from Canton over a greater portion of the year than the Company do.

5665. How much per cent advance upon the prime cost of teas would remunerate the private trader?—That depends on the quality of the teas. I stated to the Committee that 25 per cent upon a cargo of teas to the Continent, but those cargoes comprise a greater portion of fine teas; that would not be enough on teas to England. I should say he must carry it as high as 35 per cent; that would leave a net commercial profit of ten per cent, out of which the agent in Canton would be paid, and the merchant here would take the remainder.

5666. Would an advance of 25 per cent on the prime cost leave a net profit of 10 per cent?—On the finer qualities it would, for the expense of freight does not bear the same proportion on them; the finer the quality the less per-centage of gross profit may give the same result.

5667. Would you contract to supply tea for the consumer for the next five years for two thirds of the price the Company will be likely to supply at, according to the documents on the table?—I could not make a contract which was to depend on another party; I think that would be hardly safe.

APPENDIX.

LIST OF APPENDIX.

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No.

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(Enclosure, No. 8.)—A Statement of Samples of Tea, addressed to the Commissioners for the Affairs of India; showing the Wholesale and Retail Prices of the same at Hamburgh, reduced into Sterling Money, and the Duties paid thereon; dated 20th October 1829 - - - - - - - - - - - - - p. 36

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VII.—LEASING LANDS IN INDIA.

Extracts from Documents relative to the Permission granted to Europeans to hold Lands on Lease in India - - - - - - - - - - - - - - - - p. 115

VIII.—COTTON AND TOBACCO.

Papers relating to the Cultivation of Cotton and Tobacco in the East Indies; viz.

Copy of a Letter from the Secretary to the Committee of Privy Council for Trade, to the Secretary to the Commissioners for the Affairs of India; dated 26th July 1828 - p. 120

Copy of a Letter from the Secretary to the India Board, to the Secretary to the Court of Directors of the East India Company; dated 2d August 1828 - - - p. 121

Copy of a Letter from the Secretary to the Court of Directors of the East India Company to the Secretary of the India Board; dated 5th September 1828 - - - ibid.

Copy of a Letter from the Secretary of the India Board to the Secretary of the Board of Trade; dated 22d September 1828 - - - - - - - - - p. 127

Copy of a Letter from the President of the India Board to the Chairman and Deputy Chairman of the East India Company; dated 7th October 1828 - - - - p. 128

Copy of a Letter from the Secretary to the India Board to the Secretary of the Board of Trade; dated 16th October 1828 - - - - - - - - - p. 129

Copy of a Despatch from the Court of Directors of the East India Company to the Governor in Council at Bombay; dated 18th February 1829 - - - - - - ibid.

Ditto - - - ditto - - - to the Governor General in Council at Bengal; dated 8th July 1829 - - - - - - - - - - - - - p. 131

Ditto - - - ditto - - - to the Governor in Council at Bombay; dated 4th November 1829 - - - - - - - - - - - - p. 133

IX.—INTERRUPTION OF TRADE.

No.

1.—Memorials from the Bombay Merchants, as to the Suspension of the Intercourse with China, May 1815 - - - - - - - - - - - - - - p. 134

2.—Copies of all Correspondence received at the East India House relative to the present Interruption of the Company's Trade at Canton; viz.

1.—Letter from the Select Committee to the Court of Directors; dated Macao, 8th October 1829 - - - - - - - - - - - - - p. 143

2.—Ditto - - - ditto - - - dated Macao, 15th October 1829 - - p. 145

3.—Ditto - - - ditto - - - dated Macao, 23d November 1829 - - ibid.

4.—Ditto - - - ditto - - - dated Macao, 30th November 1829 - - p. 148

5.—Ditto - - - ditto - - - dated Macao, 14th December 1829 - - p. 149

6.—Ditto - - - ditto - - - dated Macao, 29th December 1829 - - p. 150

7.—Extract China Secret Consultations, the 16th November 1829 - - - p. 151

8.—(No. 1.)—Address to Viceroy, and his Reply, on Disabilities of Trade; (October 15. p. 1.) - - - - - - - - - - - - - - p. 152

(No. 2.)—Edict of Viceroy, brought by Hong merchants 1st November; (November 23. p. 6.) - - - - - - - - - - - - - - p. 155

(No. 3.)—Address to Viceroy, and his Reply and Edict respecting Ship Bridgewater; (November 23. p. 9. and 10.) - - - - - - - - - ibid.

(No. 4.)—Report of Judge and Treasurer; received 12th November; (November 23. p. 15.) - - - - - - - - - - - - - p. 156

(No. 5.)—Reply of Committee to that Report; addressed to the Viceroy; (November 23. p. 20.) - - - - - - - - - - - - - - p. 159

(No. 6.)—Edict of Viceroy to Hong; (November 30. p. 3.) - - - - p. 161

(No. 7.)—Reply of Viceroy to Address No. 5; (November 30. p. 5.) - - ibid.

(No. 8.)—Reply to Viceroy's Edict, No. 6; (14 December. p. 4.) - - - p. 162

(No. 9.)—Proclamation of Viceroy in Reply; (14 December. p. 8.) - - p. 163

(No. 10.)—Edict by Viceroy to Natives; (14 December. p. 6.) - - - p. 164

(No. 11.)—Address to Hoppo; (29 December. p. 10.) not yet received - - ibid.

3.—(1.)—Extract Letter from China, dated 28th January 1830 - - - - p. 165

(2.)—Copy Edict Viceroy of Canton; referred to in Letter to China, dated 23d February 1830 - - - - - - - - - - - - - - - ibid.

(3.)—Copy Letter from Canton, dated 23 February 1830 - - - - - p. 166

(4.)—Ditto - - - ditto - dated 2d March 1830 - - - - - p. 168

(5.)—Copy Letter to China, dated 26th May 1830 - - - - - - p. 170

Appendix I.—TEA.

1.—AN ACCOUNT of the several SALES of the EAST INDIA COMPANY, from the the Average Price at which each kind was put up,

1823–24.	JUNE SALE, 1823:			SEPTEMBER SALE, 1823:		
	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.
COMPANY'S:	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	453,345	1 6	2 5	497,942	1 6	2 5
Congo	3,223	no price	2 $7\frac{3}{10}$	2,894	no price	2 $7\frac{1}{10}$
Ditto	1,625,056	2 2	2 $6\frac{5}{10}$	964,162	2 2	2 $6\frac{9}{10}$
Ditto	3,176,232	2 4	2 $7\frac{8}{10}$	2,932,400	2 4	2 9
Campoi	- - -	- - -	- - -	- - -	- - -	- - -
Ditto	- - -	- - -	- - -	117,919	2 9	3 7
Souchong	- - -	- - -	- - -	- - -	- - -	- - -
Ditto	- -	- - -	- - -	81,246	3 –	4 $2\frac{3}{10}$
Pekoe	- - -	- - -	- - -	- - -	- - -	- - -
Twankay	1,725	no price	3 $5\frac{1}{10}$	441	no price	3 $4\frac{4}{10}$
Ditto	1,016,706	2 5	3 $5\frac{2}{10}$	1,006,392	2 5	3 5
Hyson Skin	- - -	- - -	- - -	65	no price	3 $5\frac{5}{10}$
Ditto	49,612	2 6	3 $5\frac{3}{10}$	51,582	2 6	3 $4\frac{8}{10}$
Hyson	78,890	no price	3 $9\frac{5}{10}$	52,332	no price	3 9
Ditto	100,176	4 –	4 $9\frac{8}{10}$	62,526	4 –	4 $8\frac{4}{10}$
Sweepings	- - -	- - -	- - -	1,600	- - -	- - -
Sold	6,504,965	- - -	- - -	5,771,501	- - -	- - -
Refused	51,220	- - -	- - -	25,645	- - -	- - -
PRIVATE TRADE:						
Congo	2,043	2 3	3 $8\frac{4}{10}$	127,920	2 3	2 $8\frac{1}{10}$
Souchong	351,209	2 3	2 $9\frac{7}{10}$	724,387	2 3	2 $9\frac{6}{10}$
Pekoe	2,687	2 3	5 $9\frac{8}{10}$	28,721	2 3	4 $10\frac{9}{10}$
Hyson Skin	4,396	2 6	3 $4\frac{5}{10}$	44,093	2 6	3 $3\frac{7}{10}$
Hyson	68,454	3 –	3 11	160,493	3 –	3 $11\frac{9}{10}$
Presents	11,838	- - -	- - -	19,270	- - -	- - -
Sold	440,627	- - -	- - -	1,104,884	- - -	- - -
Refused	180	- - -	- - -	955	- - -	- - -
TOTAL Sold	6,945,592	- - -	- - -	6,876,385	- - -	- - -
Refused	51,400	- - -	- - -	26,600	- - -	- - -

Appendix I.—TEA.

Year 1822–23, up to the latest period; specifying the Quantity of each kind of Tea sold, and at which each kind was sold at each Sale.

DECEMBER SALE, 1823:			MARCH SALE, 1824:			1823–24.
Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	
Lbs.	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*	COMPANY'S:
499,692	1 6	2 $4\frac{2}{10}$	402,415	1 6	2 $5\frac{6}{10}$	Bohea.
2,698	no price -	2 $7\frac{4}{10}$	303	no price -	2 $6\frac{6}{10}$	Congo.
931,461	2 2	2 7	1,005,347	2 2	2 $7\frac{1}{10}$	Ditto.
3,907,250	2 4	2 $8\frac{4}{10}$	4,325,605	2 4	2 $8\frac{6}{10}$	Ditto.
729	no price -	3 $-\frac{9}{10}$	- - -	- - -	- - -	Campoi.
123,914	2 9	3 $5\frac{7}{10}$	- - -	- - -	- - -	Ditto.
133	no price -	4 5	- - -	- - -	- - -	Souchong.
96,315	3 –	4 $-\frac{8}{10}$	- - -	- - -	- - -	Ditto.
14,597	2 10	5 $2\frac{6}{10}$	- - -	- - -	- - -	Pekoe.
233	no price -	2 $5\frac{3}{10}$	239	no price -	3 9	Twankay.
993,336	2 5	3 $5\frac{3}{10}$	948,134	2 5	3 $7\frac{4}{10}$	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson Skin.
109,461	2 6	3 5	- - -	- - -	- - -	Ditto.
24,874	no price -	3 $9\frac{7}{10}$	124,436	no price -	3 $10\frac{5}{10}$	Hyson.
147,166	4 –	4 $8\frac{6}{10}$	155,014	4 –	4 $7\frac{1}{10}$	Ditto.
59	- - -	- - -	- - -	- - -	- - -	Sweepings.
6,851,918	- - -	- - -	6,961,493	- - -	- - -	- Sold.
124,563	- - -	- - -	113,531	- - -	- - -	- Refused.
						PRIVATE TRADE:
- - -	- - -	- - -	- - -	- - -	- - -	Congo.
- -	- - -	- - -	69,036	2 3	2 $11\frac{8}{10}$	Souchong.
- - -	- - -	- - -	- - -	- - -	- - -	Pekoe.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson Skin.
- - -	- - -	- - -	6,392	3 –	3 $8\frac{2}{10}$	Hyson.
- - -	- - -	- - -	578	- - -	- - -	Presents.
- - -	- - -	- - -	76,006	- - -	- - -	- Sold.
- - -	- - -	- - -	7,212	- - -	- - -	- Refused.
6,851,918	- - -	- - -	7,037,499	- - -	- - -	TOTAL Sold.
124,563	- - -	- - -	120,743	- - -	- - -	– Refused.

(*continued*)

Appendix I.—Tea—No. 1 *continued.*

1824–25.	JUNE SALE, 1824: Quantity of each kind of Tea sold.	JUNE SALE, 1824: Average Price at which each kind was put up.	JUNE SALE, 1824: Average Price at which each kind was sold.	SEPTEMBER SALE, 1824: Quantity of each kind of Tea sold.	SEPTEMBER SALE, 1824: Average Price at which each kind was put up.	SEPTEMBER SALE, 1824: Average Price at which each kind was sold.
COMPANY'S:	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	500,465	1 6	2 3 9/10	499,908	1 6	2 4 5/10
Congo	1,929	no price	2 6	2,614	no price	2 –
Ditto	1,014,229	2 2	2 7	605,502	2 2	2 7 6/10
Ditto	3,802,845	2 4	2 7 5/10	3,473,907	2 4	2 8 6/10
Campoi	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Souchong	-	-	-	-	-	-
Ditto	-	-	-	98,712	3 –	4 – 6/10
Pekoe	-	-	-	-	-	-
Twankay	-	-	-	320	no price	3 3 7/10
Ditto	846,045	2 5	3 4 4/10	1,059,005	2 5	3 4 7/10
Hyson Skin	-	-	-	63,041	2 6	3 4 3/10
Young Hyson	9,055	3 –	4 3 7/10	-	-	-
Hyson	113,967	no price	3 7 3/10	47,540	no price	3 11 1/10
Ditto	93,613	4 –	4 4 4/10	100,866	4 –	4 6 9/10
Sweepings	-	-	-	1,556	-	-
Sold	6,382,148	-	-	5,952,971	-	-
Refused	138,817	-	-	48,013	-	-
PRIVATE TRADE:						
Congo	254,424	2 2	2 10	672,716	2 2	2 9 6/10
Campoi	-	-	-	18,720	no price	2 9 9/10
Ditto	42,240	2 9	2 10 3/10	2,359	2 9	2 9 3/10
Souchong	-	-	-	71,111	no price	2 8 7/10
Ditto	40,249	3 –	3 6 6/10	37,759	3 –	3 2 8/10
Pekoe	59,826	2 10	4 1 8/10	25,830	2 10	4 6 4/10
Twankay	23,338	2 5	3 8 9/10	46,182	2 5	3 3 5/10
Hyson Skin	127,748	2 6	3 1	33,968	2 6	3 2 1/10
Hyson	42,487	3 –	4 2 3/10	105,672	3 –	4 3 2/10
Padrea and Pekoe	347	3 –	5 1 6/10	-	-	-
Presents	12,958	-	-	19,499	-	-
Sold	603,617	-	-	1,033,816	-	-
Refused	91,080	-	-	93,560	-	-
Total Sold	6,985,765	-	-	6,986,787	-	-
Refused	229,897	-	-	141,573	-	-

DECEMBER SALE, 1824:			MARCH SALE, 1825:			1824–25.
Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	
Lbs.	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*	COMPANY'S:
502,583	1 6	2 4 4/10	588,764	1 6	2 5 5/10	Bohea.
1,541	no price -	2 8 8/10	854	no price -	2 6 7/10	Congou.
843,705	2 2	2 6 6/10	849,973	2 1	2 7 3/10	Ditto.
4,382,380	2 4	2 8	4,692,339	2 3	2 8 5/10	Ditto.
81	no price -	2 9	- - -	- - -	- - -	Campoi.
135,436	2 9	3 3 5/10	- - -	- - -	- - -	Ditto.
510	no price -	3 7 5/10	5,802	no price -	3 - 7/10	Souchong.
153,423	3 -	3 7 7/10	- - -	- - -	- - -	Ditto.
395	2 10	4 11 3/10	- - -	- - -	- - -	Pekoe.
386	no price -	3 5 4/10	71	no price -	3 7	Twankay.
902,006	2 5	3 5 6/10	876,767	2 5	3 6 8/10	Ditto.
100,230	2 6	3 5 8/10	- - -	- - -	- - -	Hyson Skin.
- - -	- - -	- - -	- - -	- - -	- - -	Young Hyson.
70,425	no price -	3 11 5/10	101,548	no price -	3 11 4/10	Hyson.
133,614	4 -	4 6 2/10	175,834	4 -	4 5 6/10	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Sweepings.
7,226,715	- - -	- - -	7,291,952	- - -	- - -	- Sold.
103,602	- - -	- - -	22,158	- - -	- - -	- Refused.
						PRIVATE TRADE:
- - -	- - -	- - -	- - -	- - -	- - -	Congo.
28,886	no price -	2 6 5/10	- - -	- - -	- - -	Campoi.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
65,910	no price -	2 7 1/10	- - -	- - -	- - -	Souchong.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Pekoe.
- - -	- - -	- - -	- - -	- - -	- - -	Twankay.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson Skin.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson.
- - -	- - -	- - -	- - -	- - -	- - -	Padrea and Pekoe.
7	- - -	- - -	- - -	- - -	- - -	Presents.
94,803	- - -	- - -	- - -	- - -	- - -	- Sold.
- - -	- - -	- - -	- - -	- - -	- - -	- Refused.
7,321,518	- - -	- - -	7,291,952	- - -	- - -	TOTAL Sold.
103,602	- - -	- - -	22,158	- - -	- - -	- Refused.

(*continued*)

Appendix I.—Tea—No. 1 *continued.*

1825–26.	JUNE SALE, 1825: Quantity of each kind of Tea sold.	JUNE SALE, 1825: Average Price at which each kind was put up.	JUNE SALE, 1825: Average Price at which each kind was sold.	SEPTEMBER SALE, 1825: Quantity of each kind of Tea sold.	SEPTEMBER SALE, 1825: Average Price at which each kind was put up.	SEPTEMBER SALE, 1825: Average Price at which each kind was sold.
COMPANY'S:	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	500,690	1 6	2 3 2/10	741,321	1 6	2 2 3/10
Congo	314	no price	2 5 2/10	359	no price	2 7 4/10
Ditto	988,711	2 1	2 5 8/10	950,526	2 1	2 6 3/10
Ditto	4,226,064	2 3	2 6 8/10	3,428,804	2 3	2 8 6/10
Campoi	-	-	-	30,732	2 6	3 8 6/10
Souchong	-	-	-	-	-	-
Ditto	-	-	-	68,673	2 10	4 1
Pekoe	-	-	-	-	-	-
Twankay	-	-	-	234	no price	3 6 8/10
Ditto	-	-	-	-	-	-
Ditto	930,827	2 5	3 3 9/10	895,370	2 5	3 6 2/10
Hyson Skin	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Ditto	17,607	2 5	3 5 2/10	43,747	2 5	3 6 8/10
Hyson	35,961	no price	4 –	49,934	no price	4 4 2/10
Ditto	179,593	4 –	4 4 9/10	112,043	4 –	4 7
Sold	6,879,767	-	-	6,321,743	-	-
Refused	37,257	-	-	83	-	-
PRIVATE TRADE:						
Congo	301,805	2 1	2 8 6/10	538,966	2 1	2 8 1/10
Souchong	-	-	-	80,426	no price	2 6
Ditto	53,223	2 10	3 2 6/10	81,647	2 10	3 4 9/10
Pekoe	-	-	-	-	-	-
Ditto	22,990	2 10	4 5 7/10	60,760	2 10	4 2 3/10
Twankay	1,292	2 5	3 3 4/10	53,063	2 5	3 5 6/10
Hyson Skin	37,338	2 5	3 2 5/10	18,041	2 5	3 2 1/10
Hyson	42,007	3 –	4 3 6/10	88,074	3 –	5 1 7/10
Presents	11,960	-	-	17,209	-	-
Sold	470,615	-	-	938,186	-	-
Refused	81,335	-	-	124,269	-	-
Total Sold	7,350,382	-	-	7,259,929	-	-
Refused	118,592	-	-	124,352	-	-

DECEMBER SALE, 1825:			MARCH SALE, 1826:			1825-26.
Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	
Lbs.	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*	COMPANY'S:
748,576	1 6	2 2 3/10	722,424	1 5	1 6 9/10	Bohea.
378	no price -	2 6 7/10	464	no price -	2 2 6/10	Congo.
807,304	2 1	2 6 7/10	1,282,562	1 9	2 2 6/10	Ditto.
4,318,664	2 3	2 8 2/10	4,085,392	2 1	2 4 9/10	Ditto.
122,225	2 6	3 - 9/10	55,014	2 4	2 11 9/10	Campoi.
- - -	- - -	- - -	78	no price -	3 8	Souchong.
78,823	2 10	3 5 8/10	26,355	2 8	3 11 3/10	Ditto.
- - -	- - -	- - -	32,286	3 -	3 11 9/10	Pekoe.
- - -	- - -	- - -	- - -	- - -	- - -	Twankay.
- - -	- -	- - -	948,962	2 2	3 3 7/10	Ditto.
938,658	2 5	3 5 6/10	- -	- - -	- - -	Ditto.
- - -	- - -	- - -	185	no price -	3 3	Hyson Skin.
- - -	- - -	- - -	55,498	2 3	3 2 5/10	Ditto.
57,545	2 5	3 6 8/10	- - -	- - -	- - -	Ditto.
37,884	no price -	4 2 1/10	64	no price -	4 1 5/10	Hyson.
200,149	4 -	4 5	179,106	4 -	4 3 5/10	Ditto.
7,310,206	- - -	- - -	7,388,390	- - -	- - -	- Sold.
40,592	- - -	- - -	98,628	- - -	- - -	- Refused.
						PRIVATE TRADE:
104,322	2 1	2 6 5/10	- - -	- - -	- - -	Congo.
121,600	no price -	2 5 1/10	17,752	no price -	2 2 9/10	Souchong.
18,551	2 10	2 11 7/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	239	no price -	2 4 1/10	Pekoe.
31,763	2 10	3 7 6/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Twankay.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson Skin.
7,284	3 -	5 -	- - -	- - -	- - -	Hyson.
4,295	- - -	- - -	- - -	- - -	- - -	Presents.
287,815	- - -	- - -	17,991	- - -	- - -	- Sold.
18,037	- - -	- - -	- - -	- - -	- - -	- Refused.
7,598,021	- - -	- - -	7,406,381	- - -	- - -	TOTAL Sold.
58,629	- - -	- - -	98,628	- - -	- - -	- Refused.

(*continued*

Appendix I.—TEA—No. 1 *continued.*

1826-27.	JUNE SALE, 1826: Quantity of each kind of Tea sold.	JUNE SALE, 1826: Average Price at which each kind was put up.	JUNE SALE, 1826: Average Price at which each kind was sold.	SEPTEMBER SALE, 1826: Quantity of each kind of Tea sold.	SEPTEMBER SALE, 1826: Average Price at which each kind was put up.	SEPTEMBER SALE, 1826: Average Price at which each kind was sold.
COMPANY'S	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	26,690	no price	1 5 5/10	-	-	-
Ditto	730,929	1 5	1 7 4/10	504,360	1 5	1 5 8/10
Congo	-	-	-	1,742	no price	2 1 5/10
Ditto	1,317,438	1 9	2 2 7/10	1,370,307	1 9	2 2 2/10
Ditto	3,476,345	2 1	2 4 9/10	3,021,051	2 1	2 5 9/10
Campoi	-	-	-	35,876	2 4	3 7
Souchong	32,218	no price	2 6 4/10	-	-	-
Ditto	15,027	2 8	2 8 9/10	66,463	2 8	4 -7/10
Pekoe	-	-	-	-	-	-
Twankay	-	-	-	-	-	-
Ditto	1,005,663	2 2	3 2 4/10	930,760	2 2	3 3 9/10
Hyson Skin	-	-	-	44,920	2 3	3 5
Young Hyson	-	-	-	-	-	-
Hyson	70,499	no price	4 2 2/10	63	no price	4 3 5/10
Ditto	106,452	4 -	4 6 3/10	147,380	4 -	4 10 2/10
Sweepings	-	-	-	1,265	-	-
Sold	6,781,261	-	-	6,124,187	-	-
Refused	42,778	-	-	244,659	-	-
PRIVATE TRADE:						
Congo	327,952	1 9	2 1 6/10	547,122	1 9	2 2 4/10
Campoi	-	-	-	63,619	no price	2 -4/10
Ditto	3,654	2 4	2 7 9/10	11,331	2 4	2 7 5/10
Souchong	-	-	-	-	-	-
Ditto	24,585	2 8	3 1 9/10	58,045	2 8	3 3 3/10
Pekoe	-	-	-	42,068	no price	3 4
Ditto	55,334	3 -	3 4 2/10	52,537	3 -	3 9 1/10
Twankay	41,583	2 2	3 1	73,875	2 2	3 3 3/10
Hyson Skin	51,503	2 3	2 7 3/10	57,779	2 3	3 2 5/10
Hyson	-	-	-	1,232	no price	5 1 9/10
Ditto	23,740	3 -	4 7 2/10	51,760	3 -	4 9 2/10
Presents	15,902	-	-	16,997	-	-
Sold	544,253	-	-	976,365	-	-
Refused	106,987	-	-	67,704	-	-
TOTAL Sold	7,325,514	-	-	7,100,552	-	-
— Refused	149,765	-	-	312,363	-	-

DECEMBER SALE, 1826:			MARCH SALE, 1827:			1826–27.
Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	
Lbs.	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*	COMPANY'S:
241,702	no price -	1 5 7/10	- - -	- - -	- - -	Bohea.
362,719	1 5	1 8 1/10	721,724	1 5	1 7 4/10	Ditto.
- - -	- - -	- - -	1,050	no price -	2 2 4/10	Congo.
1,001,754	1 9	2 2 7/10	1,502,256	1 9	2 3 5/10	Ditto.
4,075,813	2 1	2 5 7/10	3,767,938	2 1	2 5 9/10	Ditto.
48,533	2 4	3 1 3/10	- - -	- - -	- - -	Campoi.
- - -	- - -	- - -	41,635	no price -	2 7 5/10	Souchong.
149,082	2 8	3 8 1/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	10,798	2 9	4 1	Pekoe.
80	no price -	3 -	- - -	- - -	- - -	Twankay.
1,218,492	2 2	3 1 2/10	1,138,880	2 2	3 - 7/10	Ditto.
61,538	2 3	3 2 4/10	72,363	2 3	3 5 9/10	Hyson Skin.
47,164	3 -	4 - 6/10	4,257	3 -	4 2 4/10	Young Hyson.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson.
200,163	4 -	4 9 9/10	197,966	4 -	4 10	Ditto.
- - -	- - -	- - -	192	- - -	- - -	Sweepings.
7,407,040	- - -	- - -	7,459,059	- - -	- - -	- Sold.
747	- - -	- - -	25,293	- - -	- - -	- Refused.
						PRIVATE TRADE:
54,929	1 9	2 3 7/10	7,928	1 9	2 1 3/10	Congo.
3,688	no price -	2 3 2/10	- - -	- - -	- - -	Campoi.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
63,663	no price -	2 - 4/10	9,746	no price -	2 2 3/10	Souchong.
15,332	2 8	3 1 1/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	5,105	no price -	2 6 6/10	Pekoe.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
14,929	2 2	3 - 2/10	- - -	- - -	- - -	Twankay.
10,857	2 3	2 9 2/10	- - -	- - -	- - -	Hyson Skin.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson.
2,469	3 -	5 - 4/10	- - -	- - -	- - -	Ditto.
3,236	- - -	- - -	1,113	- - -	- - -	Presents.
169,103	- - -	- - -	23,892	- - -	- - -	- Sold.
14,606	- - -	- - -	- - -	- - -	- - -	- Refused.
7,576,143	- - -	- - -	7,482,951	- - -	- - -	TOTAL Sold.
15,353	- - -	- - -	25,293	- - -	- - -	- Refused.

(*continued*)

Appendix I.—TEA—No. 1. *continued.*

1827-28.	JUNE SALE, 1827: Quantity of each kind of Tea sold.	JUNE SALE, 1827: Average Price at which each kind was put up.	JUNE SALE, 1827: Average Price at which each kind was sold.	SEPTEMBER SALE, 1827: Quantity of each kind of Tea sold.	SEPTEMBER SALE, 1827: Average Price at which each kind was put up.	SEPTEMBER SALE, 1827: Average Price at which each kind was sold.
COMPANY'S:	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	23,955	no price	1 5 6/10	-	-	-
Ditto	819,149	1 5	1 9 8/10	1,075,459	1 5	1 7 5/10
Congo	158	no price	2 2 5/10	73	no price	2 1 3/10
Ditto	-	-	-	-	-	-
Ditto	1,792,321	1 9	2 3 7/10	1,888,749	1 9	2 2 3/10
Ditto	2,864,570	2 1	2 4 8/10	2,594,745	2 1	2 4 7/10
Campoi	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Souchong	-	-	-	-	-	-
Twankay	456	no price	2 6 6/10	146	no price	2 8
Ditto	-	-	-	-	-	-
Ditto	1,113,435	2 2	2 8 3/10	1,012,954	2 2	2 8 2/10
Ditto	-	-	-	-	-	-
Hyson Skin	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Ditto	84,978	4 —	4 8	87,467	4 —	4 10 8/10
Sweepings	-	-	-	1,452	-	-
Sold	6,765,743	-	-	6,702,200	-	-
Refused	-	-	-	27,585	-	-
PRIVATE TRADE:						
Congo	453,145	1 9	2 4 6/10	431,769	1 9	2 3 8/10
Souchong	-	-	-	58,799	no price	2 2 1/10
Ditto	59,646	2 7	3 —	43,973	2 7	2 11 3/10
Ditto	-	-	-	3,810	2 9	7 9 1/10
Pekoe	-	-	-	3,894	no price	2 3 0/10
Ditto	109,709	2 9	3 10 2/10	111,355	2 9	3 6 2/10
Twankay	99,849	2 2	2 6 5/10	94,273	2 2	2 9 8/10
Hyson Skin	-	-	-	-	-	-
Ditto	30,759	2 3	2 5 1/10	10,314	2 3	2 4 7/10
Hyson	121,381	3 —	4 3 3/10	167,724	3 —	4 6 2/10
Presents	20,038	-	-	18,131	-	-
Sold	894,527	-	-	944,042	-	-
Refused	62,703	-	-	63,457	-	-
TOTAL Sold	7,660,270	-	-	7,646,242	-	-
— Refused	62,703	-	-	91,042	-	-

DECEMBER SALE, 1827:			MARCH SALE, 1828:			1827-28.
Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	
Lbs.	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*Lbs.*	COMPANY'S:
3,002	no price -	1 3 9/10	81,162	no price -	1 4 3/10	Bohea
1,118,944	1 5	1 6 5/10	637,528	1 5	1 6 4/10	Ditto.
1,176	no price -	1 11	12,190	no price -	2 1 6/10	Congo.
- - -	- - -	- - -	2,014,076	1 8	2 1 7/10	Ditto.
1,894,546	1 9	2 1 9/10	- - -	- - -	- - -	Ditto.
2,419 915	2 1	2 5 5/10	2,848,929	2 1	2 5 1/10	Ditto.
- - -	- - -	- - -	3,249	no price -	2 4 7/10	Campoi.
197,032	2 5	2 8 6/10	97,065	2 3	2 10 9/10	Ditto.
121,107	2 7	3 5 4/10	103,201	2 8	3 4 9/10	Souchong.
- - -	- - -	- - -	2,418	no price -	2 - 6/10	Twankay.
- - -	- - -	- - -	987,718	2 -	2 4 1/10	Ditto.
1,176,909	2 2	2 6 5/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	48,576	2 6	3 9 7/10	Ditto.
- - -	- - -	- - -	15,799	no price -	2 - 8/10	Hyson Skin.
- - -	- - -	- - -	30,104	2 1	2 7	Ditto.
20,554	2 3	2 8 8/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	437	no price -	3 11 7/10	Hyson.
83,797	3 -	4 2 4/10	80,136	3 -	4 1 6/10	Ditto.
- - -	- - -	- - -	171,535	3 6	4 5 6/10	Ditto.
156,122	4 -	4 7 3/10	- - -	- - -	- - -	Ditto.
248	- - -	- - -	- - -	- - -	- - -	Sweepings.
7,193,352	- - -	- - -	7,134,123	- - -	- - -	Sold.
133,551	- - -	- - -	582,664	- - -	- - -	Refused.
						PRIVATE TRADE:
173,030	1 9	2 5 1/10	- - -	- - -	- - -	Congo.
51,997	no price -	2 1 9/10	- - -	- - -	- - -	Souchong.
5,630	2 7	2 11	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
10,102	no price -	2 2 3/10	5,759	no price -	2 1 3/10	Pekoe.
39,489	2 9	3 6 1/10	- - -	- - -	- - -	Ditto.
938	2 2	2 3 4/10	- - -	- - -	- - -	Twankay.
- - -	- - -	- - -	26,016	no price -	1 11 9/10	Hyson Skin.
891	2 3	2 3 2/10	- - -	- - -	- - -	Ditto.
60,194	3 -	4 2 8/10	- - -	- - -	- - -	Hyson.
2,083	- - -	- - -	403	- - -	- - -	Presents.
344,354	- - -	- - -	32,178	- - -	- - -	Sold.
31,693	- - -	- - -	- - -	- - -	- - -	Refused.
7,537,706	- - -	- - -	7,166,301	- - -	- - -	TOTAL Sold.
165,244	- - -	- - -	582,664	- - -	- - -	- Refused.

Appendix I.—Tea—No. 1. *continued.*

1828–29.	JUNE SALE, 1828: Quantity of each kind of Tea sold.	JUNE SALE, 1828: Average Price at which each kind was put up.	JUNE SALE, 1828: Average Price at which each kind was sold.	SEPTEMBER SALE, 1828: Quantity of each kind of Tea sold.	SEPTEMBER SALE, 1828: Average Price at which each kind was put up.	SEPTEMBER SALE, 1828: Average Price at which each kind was sold.
COMPANY'S:	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	239,469	no price	1 5 1/10	285,774	no price	1 5 1/10
Ditto	580,018	1 5	1 6 5/10	698,269	1 5	1 6 9/10
Congo	3,563	no price	2 1 6/10	1,024	no price	1 10 9/10
Ditto	1,577,493	1 8	2 3	1,697,414	1 8	2 3 4/10
Ditto	3,080,766	2 1	2 4 6/10	2,966,546	2 1	2 5 2/10
Campoi	-	-	-	-	-	-
Ditto	-	-	-	33,156	2 3	3 – 5/10
Ditto	-	-	-	-	-	-
Souchong	-	-	-	-	-	-
Ditto	-	-	-	67,650	2 8	3 8 9/10
Ditto	-	-	-	-	-	-
Pekoe	55,100	2 11	4 1 7/10	-	-	-
Twankay	1,371	no price	2 1 3/10	-	-	-
Ditto	890,348	2 –	2 5 7/10	974,428	2 –	2 5 7/10
Ditto	-	-	-	-	-	-
Ditto	41,754	2 6	3 9 7/10	32,512	2 6	3 8 1/10
Hyson Skin	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Ditto	-	-	-	-	-	-
Hyson	64	no price	4 11	-	-	-
Ditto	-	-	-	52,809	3 –	3 9 7/10
Ditto	30,937	3 6	4 10 9/10	115,425	3 6	4 2 7/10
Ditto	-	-	-	-	-	-
Sweepings	-	-	-	1,367	-	-
Sold	6,500,893	-	-	6,926,374	-	-
Refused	341,942	-	-	17,184	-	-
PRIVATE TRADE:						
Congo	-	-	-	1,915	no price	1 5 4/10
Ditto	307,947	1 8	2 6 5/10	410,738	1 8	2 3 6/10
Campoi	-	-	-	15,519	no price	2 2 4/10
Ditto	967	2 3	2 3 3/10	-	-	-
Souchong	-	-	-	116,313	no price	2 3 7/10
Ditto	81,780	2 8	3 – 9/10	41,533	2 8	3 3 3/10
Pekoe	43,262	2 11	3 4 9/10	32,858	2 11	3 7 4/10
Twankay	19,054	2 –	2 4 6/10	53,013	2 –	2 1 9/10
Ditto	11,158	2 6	3 8 7/10	297	2 6	4 7 6/10
Hyson Skin	-	-	-	44,730	no price	1 11 8/10
Ditto	8,112	2 1	2 2	8,867	2 1	2 1 6/10
Hyson	225,346	3 –	4 – 7/10	132,333	3 –	4 – 5/10
Hyson and Gunpowder	-	-	-	645	3 –	6 6 5/10
Presents	17,619	-	-	17,324	-	-
Sold	715,245	-	-	876,085	-	-
Refused	177, 946	-	-	125,865	-	-
Total Sold	7,216,138	-	-	7,802,459	-	-
Refused	519,888	-	-	143,049	-	-

DECEMBER SALE, 1828:			MARCH SALE, 1829:			1828–29.
Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	
Lbs.	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*	COMPANY'S:
284,270	no price -	1 5 1/10	212,191	no price -	1 5 5/10	Bohea.
601,638	1 5	1 8 1/10	876,383	1 5	1 7 2/10	Ditto.
1,691	no price -	2 1 7/10	763	no price -	1 11 1/10	Congo.
1,824,064	1 8	2 3 1/10	1,810,004	1 8	2 1 5/10	Ditto.
3,409,988	2 1	2 4 2/10	3,042,052	2 1	2 3 9/10	Ditto.
- - -	- - -	- - -	16,212	no price -	2 - 8/10	Campoi.
111,248	2 3	2 8 6/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	107,085	2 4	2 11	Ditto.
100,068	no price -	2 1 7/10	64	no price -	2 2	Souchong.
73,521	2 8	3 7 5/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	66,611	2 9	3 3 3/10	Ditto.
61	2 11	4 6	- - -	- - -	- - -	Pekoe.
- - -	- - -	- - -	- - -	- - -	- - -	Twankay.
919,458	2 -	2 5 8/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	1,088,442	2 2	2 4 1/10	Ditto.
42,873	2 6	3 7 7/10	27,137	2 6	3 5 4/10	Ditto.
14,585	no price -	2 2 6/10	- - -	- - -	- - -	Hyson Skin.
33,867	2 1	2 8 7/10	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	48,691	2 3	2 7	Ditto.
- - -	- - -	- - -	64	no price -	3 - 5/10	Hyson.
19,491	3 -	3 9 3/10	25,735	3 -	3 9 3/10	Ditto.
231,891	3 6	4 4	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	180,828	3 9	4 1 2/10	Ditto.
279	- - -	- - -	- - -	- - -	- - -	Sweepings.
7,668,993	- - -	- - -	7,502,262	- - -	- - -	- Sold.
234,269	- - -	- - -	555,008	- - -	- - -	- Refused.
						PRIVATE TRADE:
16,653	no price -	1 4 9/10	- - -	- - -	- - -	Congo.
252	1 8	2 9	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Campoi.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
54,199	no price -	2 1 7/10	- - -	- - -	- - -	Souchong.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Pekoe.
- - -	- - -	- - -	- - -	- - -	- - -	Twankay.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
55,141	no price -	2 2 3/10	- - -	- - -	- - -	Hyson Skin.
- - -	- - -	- - -	- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson.
- - -	- - -	- - -	- - -	- - -	- - -	Hyson and Gunpowder.
1,944	- - -	- - -	{Ships' Stores} 513	- - -	- - -	Presents.
128,189	- - -	- - -	513	- - -	- - -	- Sold.
- - -	- - -	- - -	- - -	- - -	- - -	- Refused.
7,797,182	- - -	- - -	7,502,775	- - -	- - -	TOTAL Sold.
234,269	- - -	- - -	555,008	- - -	- - -	- Refused.

Appendix I.—TEA—No. 1. *continued.*

1829–30.	JUNE SALE, 1829: Quantity of each kind of Tea sold.	JUNE SALE, 1829: Average Price at which each kind was put up.	JUNE SALE, 1829: Average Price at which each kind was sold.	SEPTEMBER SALE, 1829: Quantity of each kind of Tea sold.	SEPTEMBER SALE, 1829: Average Price at which each kind was put up.	SEPTEMBER SALE, 1829: Average Price at which each kind was sold.
COMPANY'S:	*Lbs.*	*s. d.*	*s. d.*	*Lbs.*	*s. d.*	*s. d.*
Bohea	17,573	no price	1 5	2,980	no price	1 5
Ditto	1,238,258	1 5	1 6 5/10	1,198,879	1 5	1 6 3/10
Congo	274,010	no price	2 – 9/10	451,740	no price	2 – 4/10
Ditto	1,511,969	1 8	2 1 2/10	1,302,078	1 8	2 1 3/10
Ditto	2,376,985	2 1	2 5	2,114,171	2 1	2 4 7/10
Campoi	112,365	no price	2 – 5/10	223	no price	2 9 6/10
Ditto	– – –	– – –	– – –	34,007	2 4	2 7 2/10
Souchong	– – –	– – –	– – –	49,286	2 9	3 10 2/10
Twankay	29,553	no price	2 1 7/10	643	no price	2 2 3/10
Ditto	944,321	2 2	2 4 1/10	832,086	2 2	2 4
Hyson Skin	52,362	no price	2 1 8/10	21,362	no price	2 2 3/10
Ditto	20,857	2 3	2 7 2/10	18,248	2 3	2 7 7/10
Hyson	37,987	no price	3 9 6/10	34,257	no price	3 8 9/10
Ditto	– – –	– – –	– – –	– – –	– – –	– – –
Ditto	35,006	3 9	4 11	84,947	3 9	4 3 7/10
Sweepings	– – –	– – –	– – –	1,618	– – –	– – –
Sold	6,651,246	– – –	– – –	6,146,525	– – –	– – –
Refused	483,723	– – –	– – –	491,771	– – –	– – –
PRIVATE TRADE:						
Congo	431,114	1 8	2 1 3/10	662,107	1 8	2 2 2/10
Souchong	– – –	– – –	– – –	30,316	no price	2 – 1/10
Ditto	5,534	2 9	3 2 2/10	35,282	2 9	3 1 3/10
Pekoe	– – –	– – –	– – –	– – –	– – –	– – –
Ditto	31,059	2 11	3 8	89,553	2 11	3 11
Twankay	– – –	– – –	– – –	5,481	no price	2 2 3/10
Ditto	35,172	2 2	2 2 3/10	53,167	2 2	2 6 4/10
Ditto	– – –	– – –	– – –	6,029	2 6	3 7
Hyson Skin	– – –	– – –	– – –	1,507	no price	2 2 1/10
Ditto	– – –	– – –	– – –	358	2 3	2 3 3/10
Hyson	179,557	3 –	3 11 7/10	170,344	3 –	4 1 3/10
Pots of Sorts	– – –	– – –	– – –	4,969	3 –	7 4 2/10
Presents	14,357	– – –	– – –	19,460	– – –	– – –
Sold	696,793	– – –	– – –	1,078,573	– – –	– – –
Refused	37,172	– – –	– – –	111,594	– – –	– – –
TOTAL Sold	7,348,039	– – –	– – –	7,225,098	– – –	– – –
Refused	520,895	– – –	– – –	603,365	– – –	– – –

East India House,
17th March 1830.

DECEMBER SALE, 1829:

Quantity of each kind of Tea sold.	Average Price at which each kind was put up.	Average Price at which each kind was sold.	1829-30.
Lbs.	*s. d.*	*s. d.*	COMPANY'S:
5,613	no price -	1 4 8/10	Bohea.
1,180,103	1 5	1 6 1/10	Ditto.
296,682	no price -	2 - 6/10	Congo.
1,558,831	1 8	2 1 3/10	Ditto.
2,606,586	2 1	2 4 9/10	Ditto.
66,725	no price -	2 1 7/10	Campoi.
49,403	2 4	2 5 8/10	Ditto.
69,154	2 9	3 11 5/10	Souchong.
98,600	no price -	2 2 1/10	Twankay.
898,692	2 2	2 4	Ditto.
17,963	no price -	2 1 8/10	Hyson Skin.
14,098	2 3	2 8 3/10	Ditto.
6,214	no price -	3 10	Hyson.
49,724	3 -	3 9 8/10	Ditto.
192,188	3 9	4 3 6/10	Ditto.
587	- - -	- - -	Sweepings.
7,111,163	- - -	- - -	- Sold.
602,249	- - -	- - -	- Refused.
			PRIVATE TRADE:
- - -	- - -	- - -	Congo.
50,044	no price -	2 2 4/10	Souchong.
- - -	- - -	- - -	Ditto.
8,942	no price -	2 7 5/10	Pekoe.
- - -	- - -	- - -	Ditto.
37,076	no price -	2 2 1/10	Twankay.
- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	Ditto.
15,084	no price -	2 1 9/10	Hyson Skin.
- - -	- - -	- - -	Ditto.
- - -	- - -	- - -	Hyson.
- - -	- - -	- - -	Pots of Sorts.
1,361	- - -	- - -	Presents.
112,507	- - -	- - -	- Sold.
- - -	- - -	- - -	- Refused.
7,223,670	- - -	- - -	TOTAL Sold.
602,249	- - -	- - -	- Refused.

(Errors excepted)

Tho. G. Lloyd,
Acc^{t} Genl.

Appendix I.—Tea—No. 2.

2.—AN ACCOUNT of the Quantity of Tea Exported by The East India Company from from the Year 1822/23, up to the latest

	TEAS EXPORTED TO ENGLAND.					
	1823/24.		1824/25.		1825/26.	
	QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.
	Lbs.	*s. d.*	*Lbs.*	*s. d.*	*Lbs.*	*s. d.*
Bohea	2,072,600	– 8.699	3,589.804	– 9.301	3,685,635	– 9.122
Congou	22,745,212	1 3.704	18,773,989	1 3.397	16,310,613	1 2.046
Campoi	139,020	1 6.608	214,153	1 6.427	86,693	1 7.165
Souchong	265,789	1 9.548	269,456	1 10.501	322,937	1 9.405
Pekoe	384	1 8.833	33,973	1 11.569	- - -	- - -
Twankay	3,869,112	1 4.544	3,791,405	1 4.460	4,960,902	1 3.974
Hyson Skin	167,535	1 4.792	178,596	1 5.526	246,496	1 4.627
Young Hyson	- - -	- - -	- - -	- - -	48,742	1 11.172
Hyson	502,008	2 7.116	666,562	2 7.094	659,527	2 6.936
	29,761,660		27,517,938		26,321,545	

	TEAS EXPORTED TO THE NORTH AMERICAN COLONIES.					
	1823/24.		1824/25.		1825/26.	
	QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.
	Lbs.	*s. d.*	*Lbs.*	*s. d.*	*Lbs.*	*s. d.*
Bohea	- - -	- - -	87,340	– 9.301	16,696	– 9.597
Congou	- - -	- - -	81,733	1 3.600	396,496	1 1.750
Souchong	- - -	- - -	51,312	1 3.067	41,724	1 5.615
Pekoe	- - -	- - -	3,539	2 0.594	- - -	- - -
Twankay	- - -	- - -	579,120	1 3.831	603,833	1 3.282
Hyson Skin	- - -	- - -	163,929	1 3.309	315,845	1 2.871
Young Hyson	- - -	- - -	173,347	2 2.038	70,687	2 2.894
Hyson	- - -	- - -	38,830	2 4.730	51,095	2 4.256
Gunpowder	- - -	- - -	- - -	- - -	3,200	2 4.975
	- - -		1,179,150		1,499,576	
Total	29,761,660		28,697,088		27,821,121	

* The difference of 13,333 lbs. between this amount and that stated in the account dated 1st June 1829, arises from

East-India House,
17th March 1830.

Canton; specifying the several kinds of Tea, and the Average Prime Cost per pound, in each Year Period the same can be made out.

- - - - - - - TEAS EXPORTED TO ENGLAND.

1826/27.		1827/28.		1828/29.		
QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.	
Lbs.	*s. d.*	*Lbs.*	*s. d.*	*Lbs.*	*s. d.*	
7,642,596	– 9.283	3,862,287	– 9.063	4,198,964	– 9.512	- - Bohea.
21,384,489	1 1.979	20,898,347	1 2.496	16,951,171	1 2.587	- - Congou.
678,107	1 6.025	640,890	1 6.558	507,881	1 7.461	- - Campoi.
230,041	1 9.821	214,054	1 10.510	183,493	1 10.870	- - Souchong.
69,196	1 11.788	- - -	- - -	- - -	- - -	- - Pekoe.
7,428,072	1 2.561	5,149,028	1 4.217	5,471,633	1 3.810	- - Twankay.
161,383	1 3.065	214,803	1 4.220	154,767	1 4.238	- - Hyson Skin.
4,163	2 3.602	- - -	- - -	- - -	- - -	- - Young Hyson.
969,458	2 3.999	613,767	2 6.804	1,149,371	2 2.263	- - Hyson.
38,567,505		31,593,176		28,617,280		

- - - - TEAS EXPORTED TO THE NORTH AMERICAN COLONIES.

1826/27.		1827/28.		1828/29.		
QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.	QUANTITY.	Average PRIME COST per Pound.	
Lbs.	*s. d.*	*Lbs.*	*s. d.*	*Lbs.*	*s. d.*	
123,265	– 9.896	74,576	– 10.325	100,385	– 9.404	- - Bohea.
456,707	1 1.980	833,747	1 1.399	914,616	1 0.349	- - Congou.
74,744	1 4.995	44,396	1 5.892	19,768	1 9.599	- - Souchong.
4,168	2 2.392	- - -	- - -	- - -	- - -	- - Pekoe.
687,008	1 2.090	574,081	1 2.518	146,753	1 6.796	- - Twankay.
173,337	1 2.860	72,171	1 2.590	10,195	1 4.800	- - Hyson Skin.
- - -	- - -	21,713	2 0.848	- - -	- - -	- - Young Hyson.
77,195	2 5.556	47,600	2 5.017	33,284	2 6.037	- - Hyson.
4,979	2 8.392	7,873	2 8.404	4,953	2 6.511	- - Gunpowder.
*1,601,403		1,676,157		1,229,954		
40,168,908		33,269,333		29,847,234	- - -	- - TOTAL.

an adjustment of 100 peculs on the Canton books, ascertained subsequently to making up the former account.

THO^{s} G. LLOYD,
Acc^{t} Genl.

(Errors Excepted)

— 3. —

I. TEA. No. 3.

COPY of any EDICT or EDICTS of the Chinese Government against the EXPORTATION of TEA from any Port or Ports of *China*.

EXTRACT CHINA CONSULTATIONS, the 1st November 1817.

A Translation of the Imperial Edict, prohibiting the transport of TEAS Coastways to *Canton*, is here recorded.

HIS Majesty's Will has been received, concerning a Report from Tseang, (the Viceroy of Canton,) recommending the rigorous prohibition of conveying Tea by sea.

The Merchants of Fokien, in conveying Bohea and Singlo Teas to Canton for sale, have heretofore taken them through the interior by rivers; but from the eighteenth year of the present reign, they have gradually introduced the practice of conveying them by sea, and recently the practice is daily increased.

The surface of the ocean is wide, and it is impracticable to search and find out what is done thereon; it is impossible to be sure that they do not smuggle prohibited articles, and sell them clandestinely.

In that the Viceroys and Fooyuens of those two provinces did not before discover and prevent this practice, manifests extreme remissness. However, in consideration of its being now past and gone, I will not inquire deeply into it. But it is now ordered, that hereafter in the Provinces of Fokien, Gauhway, and Che Kiang, which must be passed in going to Canton, the Viceroys shall give severe orders relative to this subject; and shall issue extensively Proclamations, commanding that all the Merchants who carry Tea to Canton shall abide by the former usage; carry their Tea by the rivers, and over the mountains to Canton. It is for ever prohibited to carry it by sea. If this prohibition be opposed, and it be smuggled out to sea, the moment the parties are taken, the Merchants shall have their crime punished, and their Tea confiscated. If there be any remissness in enforcing this prohibition, and they are still allowed clandestinely to go to seas, when it is discovered, an inquiry will be made to ascertain from what ports or harbours the vessel sailed; the officers stationed at those passes shall have their names reported to Court; and further, the said Viceroys and Fooyuens shall be punished.

Smuggling is a trifling affair, but having a communication with Foreigners, is a thing which involves vast interests. It is indispensably necessary to strain every nerve to eradicate the first risings of baseness or mischief.

Respect this.

EXTRACT CHINA CONSULTATIONS, the 16th January 1818.

PROCLAMATION.

YUEN, Tutor of the Princes, President of the Military Board, General Censor, Imperial Historiographer, and Governor-General of all the Territories as well as Military Affairs at Canton and Kuangse; also Superintendant of the Land Tax and Duties; hereby issues a strictly binding and explicit Proclamation respecting Teas.

During the ninth moon of this year, with profound respect was received an Edict from his Majesty, strictly prohibiting Teas being brought round by sea; and the late Viceroy made it fully known, in order that it might be obeyed along the sea-coast. The four Vessels which arrived last at Canton from Fokein, connected with (the Tea Merchants) *Rin-ta Sham*, *Tin-woo-be*, *Kin-ting-woo*, *Shum-Shing-là*, on our calculating the time, ought to have left Fokein after receiving the Imperial Will; but, according to what they affirm, in answer to interrogatories, they had not seen his Majesty's Order. It is manifestly a false pretext.

I have now examined, and put a Seal upon the Vessels; and the Tea Merchants I have put under custody, whilst an express is sent to Fokein, to make a strict inquiry into the facts. If what they affirm as to the time (of their departure) prove a false statement, I will forthwith, in obedience to the Imperial Will, take both

I.
TEA.

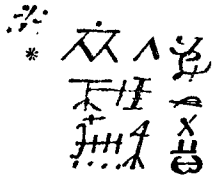
No. 3.

both the Tea Merchants and the Masters of the Vessels, and, discriminating the degrees of guilt, punish their crimes. All the goods shall be entirely confiscated.

As to bringing Teas by sea, unquestionably it ought to be strictly prohibited; and it is also necessary to examine narrowly the passage by land.

Of late years, at Canton, Tea has been dealt in, in excessive quantities, without order * or inquiry. There has been smuggling, wrangling to sell first, and every species of illegality, vastly different from that tranquil and still transaction of business which is incumbent. If this medley and indiscriminating inundation of the market shall again take place, what difficulty shall I have in stating it fully to his Majesty, and requesting his commands to deliberate and settle the quantity to be brought? and further, to station great Officers, both Civil and Military, at the Mer-ling Mountain, at the Pass of Shaon-ling-foo, and other places, to examine all that passes, and whatever Teas exceed the fixed quantity, send it all back, and not allow it to come to Canton?

* A medley inundating, without investigation.

* 

I, the Governor-General, heretofore, in managing affairs, have acted with truth and decision. What I said I would do, I have forthwith done it. If you presume lightly to try experiments with me, you will, by your own act, bring down distress and involvement upon yourselves. Subsequent repentance will be unavailing. Pay implicit regard to this.—A Special Edict.

January 12, 1818.

A true Extract,

P. Auber, Sec^{y}.

—4.—

No. 4.

RETURN to an Order of the Select Committee of the Honourable the House of Commons on the Affairs of the East India Company, dated 5th April 1830;—*for*

COPY of the ACCOUNTS and ESTIMATES presented by THE EAST INDIA COMPANY to THE TREASURY, for the last Five Years; specifying the Orders of Importation, Price of Sale, and Quantities of TEA put up to Sale, in each Year, in pursuance of the Act 24 Geo. 3, c. 38.

THE Court of Directors of the East India Company have not been called upon by the Right Honourable the Lords Commissioners of the Treasury, for any Accounts and Estimates; and none have been presented to their Lordships.

P. Auber,
Sec^{y}.

—5.—

No. 5.

A RETURN of the Average Time the whole quantity of TEAS sold at each Quarterly Sale had been in the Company's Warehouse prior to such Tea being put up to Sale; for the last Three Years.

1st March Sale	1827	14 months.
2d - ditto	ditto	16 ditto.
1st September Sale	ditto	16 ditto.
2d - ditto	ditto	15 ditto.
1st March Sale	1828	15 ditto.
2d - ditto	ditto	17 ditto.
1st September Sale	ditto	17 ditto.
2d - ditto	ditto	16 ditto.
1st March Sale	1829	18 ditto.
2d - ditto	ditto	21 ditto.
1st September Sale	ditto	20 ditto.
2d - ditto	ditto	19 ditto.

I. TEA. No. 5.

The above Account has been confined to the quantity of Company's Tea sold at each sale; but, in addition to each of the periods above stated, must be added a further period of three months, to ascertain the time which elapses from the arrival of the Tea in this country until the sale proceeds of the same are received by the Company; viz.

From the time of the ship's arrival till the receipt of the cargo in the warehouse - - - - - - - - - - -	1 month.
From the time the Tea is put up to sale, until the same is paid for by the buyers. The time allowed by the Company for the payment of the Teas is three months; but in consideration of the deposit, and that a portion of the Teas are paid for before the expiration of the time allowed, the period is taken at - - - - -	2 ditto.
	3 months.

East India Company's Tea Warehouses, 4th May 1830.

Hen. H. Goodhall, Tea Warehousekeeper.

— 6. —

No. 6.

INSTRUCTIONS to the AGENT at the *Cape of Good Hope*, relative to the PUTTING-UP PRICE of TEAS.

(Extract.)

AGENT'S INSTRUCTIONS at the *Cape of Good Hope.*

REGULATIONS 2d & 3d (1807.)

2nd. THE Indents for the supply of the Cape to be framed with a view to the actual consumption of the colony, and transmitted by the Company's Agent there to the respective governments in India, and the supra-cargoes at Canton.

3d. THE Articles in question will be consigned to the Company's Agent at the Cape, and you are hereby directed to put them up to sale in small lots, at an advance not exceeding £.6 per cent on their cost, freight and charges.

(Extract.)

LETTER to Wm. Hawkins, Esq. Agent at the Cape, 7th April 1827. Para. 9.

In reply to a letter from the Agent, dated 1st March 1825.

Para. 5. With reference to the Court's directions not to indent on China for Souchong and Sonchi, whilst a large stock of Congou remains, Agent observes, that as Sonchi is much in request, he shall include a quantity of that sort in his next indent; and Para. 6. to encourage the sale of Congou, intends deducting five rix dollars from the price of each box, and adding the same to each box of Sonchi.

9. The Court trust, that your proceedings regarding the price at which the Company's imports into the Cape are put up to sale, will be in strict conformity with the 3d Regulation respecting such imports, as contained in the Instructions of the Court of Directors to Mr. Pringle, on his resuming the agency at the Cape in the year 1807, which regulation directs their being put up to sale at an advance not exceeding 6 per cent on the cost, freight and charges of such goods.

(Extract.)

LETTER from Wm. Hawkins, Esq. 6th July 1827.

I.
TEA.
No. 6.

In reply to Court's Letter of the 7th April 1827.

Para. 9. The Court trust, that the prices of Company's imports are put up to sale in strict conformity with the 3d Regulation contained in Mr. Pringle's instructions in the year 1807.

Para. 6. On entering into the duties of my office, I was naturally induced to follow the measures which my predecessors had pursued in the disposal of the several articles of store in the Company's warehouses, under the conviction that such measures not having (in the period of eighteen years) been objected to, had met with the approbation of the Court. In the instructions to Mr. Pringle in 1807, the 1st Regulation vesting the whole import and export trade in commodities the produce or manufactures of countries to the eastward of the Cape, solely in the Company (as a bonus), having been annulled by the renewed Charter of the Company in 1813, the subsequent Regulations could no longer be held obligatory on the part of the Company; in fact the whole conditions must have been virtually quashed. The different articles are put up, duty free, in such quantities as to enable individuals to become purchasers, and at nearly the Company's wholesale price in London, thereby preventing any forestalling, particularly in the article of Tea. The Court will have been informed by my letter of the 7th April last, of the introduction of this article into the Colony by private merchants, and of my having protested against such a measure, in violation of the only exclusive trade left to the Company, and with the result of the public sales, as nearly as possible corresponding with those of the Company. I shall therefore continue the usual manner of proceeding until I receive further orders on the subject.

(Extract.)

LETTER to Wm. Hawkins, Esq. dated 30th May 1828.

5. While the Court duly estimate your endeavours to guard the interests of the Company, in the instance herein referred to, it is clear that an importation of Tea into the Cape under the circumstances of that imported by the brig Kerswell, is not illegal. The Tea in question had been previously imported into London, and sold at the Company's sales; and the Court are advised that the Acts of Parliament referred to by you, do not prevent nor were they intended to prevent the importation of Tea into the Cape under such circumstances. In fact, with due discretion on the part of the Agent, it appears to the Court altogether out of the question, that the sale of Tea imported into the Cape from England, loaded as it must be with extra freight and extra charges, can enter into competition there, with the sales of Tea on the Company's account.

6. The Court cannot approve your having departed from the Regulation of 1807, in so far as regards the price at which the several articles were to be offered for sale. The communication from the Court to the Board of Council for Trade in this country, in the year 1825 (to which allusion is made in the correspondence at the Cape, upon the subject of the importation of Tea from this country, transmitted with your letter of the 7th April last,) stated that their Agent at the Cape was instructed to put up his Teas in small lots, at an advance not exceeding 6 per cent on the cost, freight and charges. And the Court had no doubt but that this Regulation had been strictly complied with. As regards therefore their importations of Tea, the Court enjoin your implicit compliance with the Regulation before mentioned. The Court direct also, that the Tea for the supply of His Majesty's Navy, be issued at the average price at which such Tea may have been sold at the preceding public sale.

I.
TEA.
No. 7.

7.—ACCOUNT of Profit and Loss of The East India Company's Tea the Freight and Demorage, the Charges incurred in Landing, &c. &c.; the Interest upset Price; the Supra Cargo's Commission, and all to the Debit of Account, and

Dr

		£.
Prime Cost of Teas sold in 1828/29, imported in the undermentioned years:		
	lbs. / *Tales.*	
Teas imported in 1826	5,475,091 / 1,131,601	
Ditto 1827	19,229,272 / 3,435,227	
Ditto 1828	3,894,159 / 845,624	
	lbs. 28,598,522 *Tales* 5,412,452 calculated at 6/8 the Tale	
That being the actual rate which it has cost the Company to place funds in China during the present Charter (exclusive of interest and insurance)		1,804,151
Proportion of interest attaching to the consignments of merchandize outward, and other funds furnished for the provision of the Teas, constituting the Importations of the years above specified		23,133
Proportion of insurance attaching to the consignments of merchandize outward d° d°		29,253
Insurance, 3 per cent on cost of homeward investment, premium covered		55,798
Interest from the provision of the funds in China to the arrival of the investment in England, 6 months, at 5 per cent per annum on cost; as calculated to make the upset price		46,498
Freight and demorage		508,827
Expenses of landing, housing, warehouse room, carting, preparing for sale and all charges, merchandize in England:	£.	
Proportion, attaching to the China Trade, of establishment for the joint management of the trade to India and China	69,793	
Paper, printing and stationery for the Tea department	1,819	
Rent and repairs of warehouses calculated at the rate of 6 per cent per annum on the capital invested therein, (of which the amount of interest or rent at 5 per cent per annum, is £. 22,626)	27,151	
Taxes and parochial rates thereon, coals, candles, &c.	5,695	
Wages of labourers employed at the Tea warehouses	73,813	
Charges landing Tea, &c. from the ships, (including proportion of establishment employed upon this duty)	4,102	
Amount of cooperage on tea chests, incurred at the period of landing them	2,168	
Cartage of tea from the Docks to the warehouses (including wear and tear of caravans)	4,427	
Articles supplied for the repair of packages and other purposes, after the receipt of the Tea in the warehouses	12,534	
Dock rates and wharfage payable to the East India Dock Company on Tea imported	6,790	
Annual allowance granted to Commanders of Company's ships acting as Commodores of the Fleet at Canton; also, a pension to a retired inspector of Tea, paid in England	1,000	
Proportion of commercial charges of a general description not attaching to any particular department, and sundry miscellaneous expenses	5,998	
£.	215,290	
Deduct, For such part of the sums received by the Company under the engagements entered into with the Commanders and Officers of their China ships as are considered to be in re-imbursement of charges actually incurred on Tea imported by them	11,992	
Or equal to 1d.706 per lb. on the quantity of Teas sold		203,298
Interest from the arrival of the Teas in England to the estimated realization of the sale amount 18 months on cost, 12 months on freight and charges, at 5 per cent per annum, as calculated to make the upset price		175,103
Supra cargoes commission: 2 per cent on net sale amount, deducting charges		49,361
Carried forward		2,895,422

TRADE with *China*, for the Year 1828/29; stating, the Prime Cost, how calculated, as calculated to make the upset Price; the Insurance as calculated to make the other Charges incurred, either in *England* or *China*, the Sale Amount to the Credit.

I.
TEA.

No. 7.

Cr

	£.
SALE AMOUNT OF TEAS - - - - - - - - - -	3,290,748
Carried forward - - £.	3,290,748

I. TEA.

No. 7.

Dr

	£.	£.
Brought forward - - - - -		2,895,422
Additional interest incurred in China and in England, beyond the charge for interest included in the calculation for the upset price, as stated in evidence before the Honourable Committee of the House of Commons:		
From the provision of funds in China to the arrival of the Teas in England, 4 months, at 5 per cent on cost - - - - -	30,069	
From the arrival of the Teas in England to the realization of the same, as stated in an Account presented to the Honourable Committee of the House of Commons, under date 4th May 1830, 20 months:		
Interest assumed in the calculation for the upset price 18 months: 2 months, at 5 per cent per annum on cost - - - - -	15,035	
On freight and demorage, 5 months (the whole of the freight being payable 3 months from the arrival of the Teas in England) at 5 per cent per annum - - - - - - - - -	10,600	
		55,704
		2,951,126
PROFIT - - - -		339,622
	£.	3,290,748

	£.
Brought down, amount of Net Profit which results after calculating as part of the cost of the Tea, interest, insurance, &c. as above mentioned - - - - -	339,622
In framing the price of Tea from which the cost in the above Account is calculated, the funds drawn from India in repayment of Territorial charges for the supply of the China Treasury, are valued at rates which exceed the current market rates of exchange, and give a value thereto exceeding that which, upon mercantile principles, would be assigned to them; the difference operating in favour of the Territory in the adjustment of the account between the two branches, and amounting upon this part of the Trade to - - - - - - - - - - - - - -	169,174
The amount of the Profit, charging the account with interest of capital and insurance, but adjusting it with reference to the mercantile rates of exchange, would be - -	508,796

East India House,
19th May 1830.

Cr

I.
TEA.
No. 7.

	£.
Brought forward - - - - - - -	3,290,748
SALE AMOUNT OF TEAS - - £.	3,290,748

	£.
Amount of Net Profit which results after calculating as part of the Cost of the Tea, interest, insurance, &c. as before stated - - - - - - - - - -	339,622
Add:	
The amount of such interest, which is replaced to the Company out of the Sale proceeds, the capital employed in the Trade being their own, and not subjecting their funds to any actual payment on this account, as well as the amount included in the cost on account of insurance, deducting the actual losses at sea in 1828/29. Interest - - - - - £. 323,064	
Insurance, deducting actual losses (£. 261.) - 84,790	407,854
TOTAL *return of Profit from this Trade, applicable to the appropriations of the Act of the* 53 *Geo.* 3. *c.* 155. - - - - - - - -	747,476
Add:	
Difference arising from the rate of exchange of funds derived from India, as above stated, operating in favour of the Territory in the adjustment of the account between the two branches, and amounting upon this part of the Trade to - -	169,174
TOTAL *return which would be derived from this Trade, were the exchanges in the account between Territory and Commerce adjusted at the current rates* - - - - - - - - - - - -	916,650

The amounts of interest and insurance stated in the Return made to the Honourable Committee on the 17th March last, have reference only to the charges made under those denominations not included in the computation of the value of the Tale, for forming the upset prices of Tea.

(Errors Excepted.) THO^{s} G. LLOYD,
Acc^{t} Genl.

— 8. —

I.
TEA.
No. 8.

RETURN to an Order of the Select Committee of the Honourable the House of Commons on the Affairs of the East India Company, dated 6th May 1830;—*for*

Copy of the CORRESPONDENCE and PAPERS relating to the SAMPLES of TEA procured from Foreign Countries by His Majesty's Consuls.

(No. 1.)—Copy of a LETTER from the Right honourable Lord Ellenborough to the Chairman and Deputy Chairman of the East India Company; dated 13th June 1829.

Gentlemen,

IT appears to me to be a subject of some interest to the East India Company to ascertain, as far as it may be practicable, what relation the tea imported into the Continent of Europe, and into the United States of America, actually bears in quality and in price to that imported by the East India Company into the United Kingdom.

I propose to request the Earl of Aberdeen to desire His Majesty's Consuls to transmit to this country without delay samples of the several sorts of tea, together with a statement of the price of each sort, for the purpose of making the comparison I have suggested above.

The expense cannot be considerable; and I should think you would have no objection to hear it.

I am, &c.

(signed) *Ellenborough.*

(No. 2.)—Copy of a LETTER from the Chairman of the East India Company to the Right honourable Lord Ellenborough; dated 17th July 1829.

My Lord,

THE Court of Directors of the East India Company have had under their consideration your Lordship's letter of the 13th ultimo, in which you propose to request the Earl of Aberdeen to desire His Majesty's Consuls to transmit to this country samples of the tea imported into the Continent of Europe, and into the United States of America, in view to ascertain, as far as it may be practicable, what relation such tea bears in quality and in price to that imported by the Company into the United Kingdom; and I have been requested by the Court, to beg that your Lordship will have the goodness to proceed in procuring the samples of tea in the manner proposed in your letter, the expense of which the Court will be ready to defray.

I have, &c.

(signed) *John Loch.*

(No. 3.)—Copy of a LETTER from B. S. Jones, Esq. to J. Backhouse, Esq.; dated at the India Board, 6th July 1829.

Sir,

I AM directed by the Commissioners for the Affairs of India to request that you will move the Earl of Aberdeen to instruct His Majesty's Consuls at New York, Boston, Petersburgh, Hamburgh, the Hague and Frankfort, to transmit to this Board fair samples of the several sorts of tea sold at the above named places; these samples to embrace the highest, middle and lowest qualities of tea in most general use; each sample to be of not less than 20 lbs., and the price to be annexed to each, together with a statement of the duty paid thereon per lb.

The Commissioners for the Affairs of India will take measures for defraying the charges which may be incurred by the several Consuls on receiving proper statements thereof.

I am further directed to request, that the several Consuls may be instructed to endorse the packages containing the samples of tea in these words:

"Samples of Tea on account of the East India Company, by order of the Commissioners for the Affairs of India."

I have already been directed to apply to the Lords Commissioners of His Majesty's Treasury for permission to import packages so addressed.

I am, &c.

(signed) *B. S. Jones*, Assistant Secretary.

(No. 4.)—Copy of a LETTER from John Backhouse, Esq. to B. S. Jones, Esq.; dated at the Foreign Office, 3d of September 1829.

Sir,

WITH reference to your Letter of the 6th July last, requesting that certain of His Majesty's Consuls abroad might be instructed to send to this country samples of tea sold at their respective residencies, I am directed by the Earl of Aberdeen to transmit to you, for the information of the Commissioners for the Affairs of India, the copy of the Instruction which his Lordship caused to be addressed to His Majesty's Consuls, in conformity with the Commissioners' request.

I am, &c.

(signed) *John Backhouse.*

(Enclosure in No. 4.)

Copy of a Circular LETTER from John Bidwell, Esq. to His Majesty's Consuls at St. Petersburgh, Hamburgh, Rotterdam, Frankfort, New York and Boston; dated at the Foreign Office, 12th August 1829.

Sir,

I AM directed by the Earl of Aberdeen to desire that you will procure, and transmit to the Board of Commissioners for the Affairs of India, fair samples of the several sorts of tea sold at ————. The samples are to embrace the highest, middle and lowest classes of tea in most general use; and each sample is to be of not less than 20 *lbs. weight.*

The price is to be annexed to each sample, together with a statement of the duty paid thereon per lb.

You will cause these samples of tea to be carefully packed and forwarded to London; and you will cause the packages to be addressed as follows:

" Samples of Tea on account of the East India Company, forwarded by His Majesty's Consul General or Consul at ————, to the Commissioners for the Affairs of India in London."

You will forward to this Department a statement (*in duplicate*) of the expense which you may incur in executing this commission; and you will mention the name of the individual in London to whom the amount can be paid on your account, by the Board of Control, in reimbursement thereof.

You will at the same time state by what conveyance you have forwarded the required samples of tea, and the probable time of their arrival in this country.

I enclose the copy of a letter from the India Board on this subject.

I am, &c. &c.

(signed) *John Bidwell.*

(No. 5.)—Copy of a LETTER from Henry Canning, Esq., His Majesty's Consul General at Hamburgh, to John Bidwell, Esq.; dated 13th October 1829.

Sir,

WITH reference to your Letter of the 12th of August last, I have to inform you, that I have selected, not without some difficulty, samples of the several sorts of tea sold in Hamburgh, conformably to the instructions contained in your Letter. There are in all 26 chests, weighing from 30 lbs. to 75 lbs. net each, in the original packages in which they have been imported here; and I expect that they will be forwarded to London in the steam vessel, which will sail from hence next Saturday, the 17th instant, and may arrive on the 19th or 20th instant.

The chests will be addressed as desired; and I shall send an account of the cost as soon as it can be prepared.

The amount will probably be between 150*l.* and 180*l.* sterling.

I am, &c.

(signed) *Henry Canning,*
Consul General.

I.
TEA.

No. 8.

(No. 6.)—Copy of a LETTER from Henry Canning, Esq., His Majesty's Consul General at Hamburgh, to John Bidwell, Esq.; dated 20th October 1829.

Sir,

I BEG leave to send herewith the invoice of the 26 chests of sample tea, shipped on board the steam vessel "Wm. Joliffe," for London, the bill of lading for which I transmitted to you on the 16th instant.

The invoice amounts to 141 *l.* –*s.* 3*d.* sterling; which sum I request may be paid into the hands of Messrs. Barnett's, Hoare & Co., bankers, for my account, to enable me to pay for the tea.

The quantity I fear may be more than it was intended I should send, but I could not get smaller chests in original packages; and I deemed it of consequence, in order to form a fair judgment of the qualities of tea brought to this market, that they should be seen in the state in which they are imported. These chests were all opened for the first time in my presence, and have not been touched, except to take a small sample, and which I have retained.

The prices which I have been obliged to pay are higher than those given in my despatch in January last; and I beg leave to refer to the enclosed copies of the correspondence which has taken place, then and now, between me and some of the importers and tea dealers here, on the subject, which will explain the cause of the difference.

I have added a statement, which will show at one view the cost of the sample of each sort of tea in Hamburgh and sterling money, the duty per lb. actually paid on each, and the prices at which each sort may be bought in large parcels from the importers.

The whole, I hope, will be found to be conformable to the instructions to me contained in your despatch of the 12th of August last.

I am, &c.

(signed) *H^y Canning*,
Consul General.

(Enclosure, No. 1.)

INVOICE of 26 Chests of Tea, shipped by His Majesty's Consul General at Hamburgh on board the Steam-Boat "William Jolliffe," Alexander Downie, Master, as Samples on account of the Honourable East India Company, and forwarded to the Commissioners for the Affairs of India in London.

N°	Sort.	Package.	Gross Weight.	Tare and Draft.	Net Weight.	Price, Schillings Banco.	Amount in Marcs Banco.
1.	Bohea - -	¼ chest	108 ½	28 ½	80	9	45 –
2.	D° - -	¼ –	102	28 ½	73 ½	10	45 15
3.	Congo - -	¼ –	104 ½	28 ½	76	13 ½	64 2
4.	D° - -	¼ –	102	28 ½	73 ½	16	73 8
5.	Campoi -	⅛ –	44	14	30	13 ½	25 5
6.	D° - -	¼ –	98	28 ½	69 ½	16	69 8
7.	Souchong -	⅛ –	52 ¼	16	36 ¼	9	20 6 ½
8.	D° - -	⅛ –	49 ¼	16	33 ¼	14	29 1 ½
9.	D° - -	¼ –	101 ½	28 ½	73	24	109 8
10.	Pecco - -	¼ –	78	24 ½	53 ½	36	120 6
11.	D° - -	⅛ –	40	14	26	60	97 8
12.	D° - -	⅛ –	31 ½	14	17 ⅓	80	87 8
13.	Hyson Skin -	¼ –	81	24 ½	56 ½	9	31 12 ½
14.	D° - -	⅛ –	39 ½	14	25 ⅓	14	22 5
15.	D° - -	¼ –	78	24 ½	53 ½	18	60 3
16.	Twankay -	¼ –	98	28 ½	69 ½	14	60 13
17.	D° - -	¼ –	97 ½	28 ½	69	17 ½	75 7 ⅓
18.	D° - -	⅛ –	50 ½	16	34 ½	20	43 2

I. TEA. No. 8.

N°	Sort.	Package.	Gross Weight.	Tare and Draft.	Net Weight.	Price, Schillings Banco.	Amount in Marcs Banco.
19.	Young Hyson	1/8 –	52	16	36	16	36 –
20.	D° - -	1/8 –	56 3/4	16	40 3/4	26	66 3 1/2
21.	Hyson - -	1/4 –	79	24 1/2	54 1/2	30	102 3
22.	D° - -	1/4 –	80	24 1/2	55 1/2	34	117 15
23.	D° - -	1/4 –	81	24 1/2	56 1/2	40	141 4
24.	Imperial -	1/8 –	60	16	44	38	104 8
25.	Gunpowder -	1/8 –	63 1/2	16	47 1/2	40	118 2
26.	D° - -	1/8 –	60	16	44	46	126 8
							1,894 2
				Discount, 1 per cent - - - -			18 15
							1,875 3

Charges:	m. s.	c. m. s.
Casing 14 quarter-chests in canvass - - - -	at 1 8	21 4
Ditto 12 eighths - - - - - - -	at 1 2	13 8
Export duty, 1/8 per cent - - - - - -		2 6
Lighterage, drink-money, &c. - - - - - -		10 10
	c. m.	47 8
At 25 per cent - - - - - -		38 –
		1,913 3
Bill Brokerage - - - - - -		1 8
	B. m.	1,914 11
At the Exchange, 13 m. 9 1/4 -	£.	141 3

(Errors excepted.)

Hamburgh, 20th October 1829. (signed) *Henry Canning*, Con. Genl.

(Enclosure, No. 2.)

Copy of a LETTER from one of the principal Importers of Tea into Hamburgh to His Majesty's Consul General, stating the then Market Prices of Tea; dated Hamburgh, the 22d of December 1828.

My dear Sir,

REPLYING to your friendly lines of this day, I beg leave to inform you, that Mr. Sieveking will answer the substance of your inquiries about the tea trade of this place. He communicated to me your note on the subject, and as our custom-house registers can furnish no details such as you wish to have, I have communicated to Mr. S., from my own superficial knowledge of the trade, such general remarks as I am able to give; I beg leave then to refer to what Mr. Sieveking will communicate to you. On the point of the present prices of tea, I feel great pleasure in giving you the following elucidation; they rule now,

Bohea - - -	6	to	8 1/2	Banco per lb. - -	5	to 7 1/8 sterling.
Congo - - -	10	to	12	— - -	8 9/16	to 10 5/16 —
Campoi - - -	10	to	15	— - -	8 1/2	to 12 7/8 —
Souchong - - -	7	to	18	— - -	5 7/8	to 15 7/16 —
Hyson Skin - -	7 1/2	to	15	— - -	6 5/16	to 12 11/16 —
Twankay - - -	9	to	18	— - -	7 9/16	to 15 3/8 —
Young Hyson - -	11	to	20	— - -	9 1/8	to 16 3/4 —
Hyson - - -	26	to	38	— - -	22 1/16	to 32 3/8 —
Imperial or Gunpowder	34	to	40	— - -	28 7/16	to 33 1/16 —
Pecco - - -	40	to	64	— - -	34 11/16	to 55 7/8 —

The sterling shows the net price for the English net pound, all charges deducted, except freight and insurance; exchange taken at 13 marks 10 schillings per pound sterling.

These are the prices at which, according to quality, sales are effected here in bulk; the highest must be understood for prime quality, which, however, only comes forward, if at all, in but small lots. Retail prices I am not enabled to give, nor can they, I think, be of any interest, except between the dealers and retailers and their customers.

(Enclosure, No. 3.)

I. TEA. No. 8.

Translation of a LETTER from one of the principal Tea Dealers in Hamburgh to His Majesty's Consul General, stating the then Market Prices of Tea; dated 16th January 1829.

Sir,

WE have the honour to give you the following information about the tea trade here, as accurately as our business will enable us to do.

The importation of tea of late years may be taken on the average at 10,000 to 12,000 quarter chests yearly. How much thereof may have been re-exported, and how much consumed here, cannot be stated.

The prices paid for parcels of tea are as follows:—

Bohea	6	to	7	Schil. Banco per lb.
Caper Souchong	—		7	—
Congou	10	to	13	—
Campoi	10	to	12	—
Souchong	7	to	14	—
Pecco	36	to	56	—
Singlo Twankay	9	to	14	—
Hyson Skin	7	to	10	—
Hyson	26	to	36	—
Young Hyson	10	to	16	—
Imperial or Gunpowder	32	to	36	—

Small quantities of particularly fine quality, which, however, seldom come, are worth more.

(Enclosure, No. 4.)

Translation of a LETTER from a principal Tea Dealer at Hamburgh to His Majesty's Consul General; dated 28th September 1829.

FOR direct importations of tea the following may at present be about the prices:—

Bohea	7	to	10	Schil. Banco per lb.
Congo	11	to	15	—
Campoi	11	to	18	—
Souchong	18	to	20	—
Hyson Skin	7½	to	20	—
Twankay	10	to	18	—
Young Hyson	10	to	20	—
Hyson	26	to	38	—
Imperial Gunpowder	32	to	40	—
Pecco	36	to	64	—

It is to be observed that our market changes every four to eight weeks. In general, at the sale of a new direct cargo of tea another rate of prices takes place, according as the stocks of particular sorts may be exhausted. Thus it is not to be pretended that the prices made on the Change can continue long on any fixed footing, owing to the difference in each single sort.

In reference to the prices in January last, we can now provide you with each sort of tea, in original packages, at the following rates:—

January Prices:

	Schillings.				*Schillings.*		
Bohea	6	to	8½	now sell at	9.	10.	in single chests.
Congo	10	to	12	—	14.	16.	—
Campoi	10	to	15	—	13½	17.	—
Souchong	7	to	18	—	9.	14. 24.	—
Pecco	36.	56.	64.	—	36.	60. 80.	—
Hyson Skin	7½	to	15	—	9.	14. 18.	—
Twankay	9	to	18	—	17½	20.	—
Young Hyson	11	to	20	—		16. 26.	—
Hyson	26	to	38	—	30.	34. 42.	—
Imperial	34	to	40	—		38. 42.	—
Gunpowder	34	to	40	—		40. 46.	—

(Enclosure, No. 5.)

Copy of a LETTER from one of the principal Importers of Tea at Hamburgh to His Majesty's Consul General; dated 30th September 1829.

I.
TEA.
No. 8.

Dear Sir,

REPLYING to your note of 29th September, I would observe, respecting the prices of tea, that they rule a shade higher now than in January; namely,

	Schillings Banco.		*Pence.*
Bohea	7 to 10	equal to	$5\frac{15}{16}$ to $8\frac{3}{8}$
Congo	11 to 13	–	$9\frac{7}{16}$ to $11\frac{3}{16}$
Campoi	11 to 16	–	$9\frac{7}{16}$ to $13\frac{3}{4}$
Souchong	9 to 24	–	$7\frac{9}{16}$ to $20\frac{5}{16}$
Hyson Skin	7 to 16	–	$5\frac{3}{4}$ to $13\frac{1}{2}$
Twankay	9 to 20	–	$7\frac{9}{16}$ to $17\frac{1}{8}$
Young Hyson	11 to 24	–	$9\frac{1}{8}$ to $20\frac{1}{8}$
Hyson	27 to 38	–	$22\frac{3}{4}$ to $32\frac{1}{16}$
Imperial or Gunpowder	34 to 40	–	$28\frac{3}{8}$ to $33\frac{3}{8}$
Pecco	40 to 64	–	$34\frac{13}{16}$ to $55\frac{7}{8}$

The stock in importer's hands amounts at this time to 9,950 boxes. The same as in all other branches of trade, transactions in tea have also been extremely limited this year, and the higher prices which I quote must be considered as the effect of better qualities having appeared this year. The import this year amounts to about 15,000 boxes.

(Enclosure, No. 6.)

Copy of a LETTER from His Majesty's Consul General to a principal Importer of Tea in Hamburgh; dated 5th October 1829.

My dear Sir,

IN reference to your obliging note of the 30th ultimo, containing the prices of tea, allow me to ask if you could accommodate me by selling me some single boxes in original packages at those prices; for instance:

Quarter chest of Bohea,	at 7/	Banco per lb.
Quarter ditto of Congo,	at 11/	–
Quarter ditto of Campoi,	at 11/	–
Quarter ditto of Hyson Skin,	at 7/	–
Quarter ditto of Twankay,	at 9/	–
Quarter ditto of Young Hyson,	at 11/	–
Quarter ditto ditto	at 24/	–
Quarter ditto of Hyson,	at 27/	–
Eighth ditto Imperial,	at 34/	–

or in any other original packages.

(Enclosure, No. 7.)

Copy of a LETTER from a principal Importer of Tea in Hamburgh to His Majesty's Consul General; dated 6th October 1829.

My dear Sir,

I INFINITELY regret that it is not in my power to accommodate you with single boxes of the teas you require. We are importers only, selling in bulk what is sent to us; and as such, never keep an assorted stock. We have not, indeed, a box of Bohea, nor of the common qualities which you wish to have; and, indeed, if we had, I could not break the package, our tea dealers being very particular in not taking a broken package, there being a tacit understanding between us that we should never retail. If you want single boxes of the description you name by way of sample, you can get them only through the medium of brokers, as you will not find them complete in the hands of any one of our dealers, as even they are not completely assorted. This mode of procuring samples will have, however, this inconvenience, that you will fall under the retail price, paying 9*s.* or 10*s.* for what in wholesale is not worth above 7*s.* and so on.

(Enclosure, No. 8.)

A STATEMENT of Samples of Tea shipped on account of the Honourable East India Company by His Majesty's Consul General at *Hamburgh*, and forwarded to the Commissioners for the Affairs of India in London, showing, in Hamburgh and Sterling Money, the Prices at which they have been bought, and the Duty that has been paid on each per lb.; and also the Market Prices paid here for Teas of the same Sort and Qualities when bought in large Parcels from the Importers.

N°	SORTS.	Chest.	Net Weight.	Bought at per lb.		Duty paid per lb.		Prices of the same, if bought in large Parcels from the Importer.
				Schillings Banco.	Equal to in Sterling.	Schillings Courant.	Equal to in Sterling parts of a Penny.	
					s. d.			*Schill. Banco.*
1.	Bohea - - -	$\frac{1}{4}$	80	9	– 10	$\frac{1}{8}$	$\frac{1}{9}$	7
2.	Ditto - - -	$\frac{1}{4}$	73 $\frac{1}{2}$	10	– 11 $\frac{1}{10}$	$\frac{1}{6}$	$\frac{4}{27}$	8 to 8 $\frac{1}{2}$
3.	Congo - -	$\frac{1}{4}$	76	13 $\frac{1}{2}$	1 3	$\frac{1}{3}$	$\frac{8}{45}$	11
4.	Ditto - - -	$\frac{1}{4}$	73 $\frac{1}{2}$	16	1 5 $\frac{3}{4}$	$\frac{1}{4}$	$\frac{2}{9}$	15
5.	Campoi - -	$\frac{1}{8}$	30	13 $\frac{1}{2}$	1 3	$\frac{1}{3}$	$\frac{8}{45}$	11
6.	Ditto - - -	$\frac{1}{4}$	69 $\frac{1}{2}$	16	1 5 $\frac{3}{4}$	$\frac{1}{4}$	$\frac{2}{9}$	14
7.	Souchong - -	$\frac{1}{8}$	36 $\frac{1}{4}$	9	– 10	$\frac{1}{8}$	$\frac{1}{9}$	8
8.	Ditto - - -	$\frac{1}{8}$	33 $\frac{1}{4}$	14	1 3 $\frac{1}{2}$	$\frac{1}{3}$	$\frac{8}{45}$	11 $\frac{1}{2}$
9.	Ditto - - -	$\frac{1}{4}$	73	24	2 2 $\frac{1}{2}$	$\frac{1}{2}$	$\frac{4}{9}$	18 to 20
10.	Pekoe - - -	$\frac{1}{4}$	53 $\frac{1}{2}$	36	3 3 $\frac{3}{4}$	$\frac{3}{4}$	$\frac{2}{3}$	32 to 36
11.	Ditto - - -	$\frac{1}{8}$	26	60	5 6 $\frac{1}{3}$	$\frac{2}{3}$	$\frac{16}{27}$	52 to 54
12.	Ditto - - -	$\frac{1}{8}$	17 $\frac{1}{2}$	80	7 4 $\frac{1}{2}$	1	$\frac{8}{9}$	64 to 72
13.	Hyson skin - -	$\frac{1}{4}$	56 $\frac{1}{2}$	9	– 10	$\frac{1}{8}$	$\frac{1}{9}$	7
14.	Ditto - - -	$\frac{1}{8}$	25 $\frac{1}{2}$	14	1 3 $\frac{1}{2}$	$\frac{1}{3}$	$\frac{1}{6}$	11
15.	Ditto - - -	$\frac{1}{4}$	53 $\frac{1}{2}$	18	1 8	$\frac{1}{4}$	$\frac{2}{9}$	14 to 15
16.	Twankay - -	$\frac{1}{4}$	69 $\frac{1}{2}$	14	1 3 $\frac{1}{2}$	$\frac{1}{7}$	$\frac{1}{8}$	10
17.	Ditto - - -	$\frac{1}{4}$	69	17 $\frac{1}{2}$	1 7 $\frac{1}{3}$	$\frac{1}{4}$	$\frac{2}{9}$	15
18.	Ditto - - -	$\frac{1}{8}$	34 $\frac{1}{2}$	20	1 10 $\frac{1}{8}$	$\frac{1}{4}$	$\frac{2}{9}$	16
19.	Young Hyson -	$\frac{1}{8}$	36	16	1 5 $\frac{3}{4}$	$\frac{1}{7}$	$\frac{1}{8}$	12
20.	Ditto - - -	$\frac{1}{8}$	40 $\frac{3}{4}$	26	2 4 $\frac{2}{3}$	$\frac{1}{3}$	$\frac{8}{27}$	20 to 22
21.	Hyson - - -	$\frac{1}{4}$	54 $\frac{1}{2}$	30	2 9 $\frac{3}{15}$	$\frac{1}{7}$	$\frac{8}{21}$	27
22.	Ditto - - -	$\frac{1}{4}$	55 $\frac{1}{2}$	34	3 1 $\frac{2}{3}$	$\frac{5}{11}$	$\frac{2}{5}$	30
23.	Ditto - - -	$\frac{1}{4}$	56 $\frac{1}{2}$	40	3 8 $\frac{1}{4}$	$\frac{5}{9}$	$\frac{1}{2}$	36
24.	Imperial - -	$\frac{1}{8}$	44	38	3 6	$\frac{2}{3}$	$\frac{5}{9}$	34
25.	Gunpowder - -	$\frac{1}{8}$	47 $\frac{1}{2}$	40	3 8 $\frac{1}{4}$	$\frac{1}{2}$	$\frac{4}{9}$	36 to 38
26.	Ditto - - -	$\frac{1}{8}$	44	46	4 3	$\frac{3}{5}$	$\frac{5}{9}$	42

The exchange is taken at 13 *m.* 9 s. banco per £. sterling.

The agio is taken at 100 banco to 125 courant.

The duty is calculated at 1 $\frac{1}{2}$ per cent on the amount in banco at which the tea is valued by brokers on arrival, but it is paid in courant money.

Hamburgh, 20th Oct. 1829. (signed) *Henry Canning*,
Consul General.

(No. 7.)—Copy of a LETTER from Alexander Ferrier, Esq., His Majesty's Consul at Rotterdam, to the Commissioners for the Affairs of India; dated 12th September 1829.

Sirs,

IN compliance with instructions received from the Earl of Aberdeen, I have purchased, for account of the East India Company, to be forwarded to your Board, 35 samples of the different sorts of tea most general in use in this country; which I expect to be able to forward per the English steam-boat "The Queen of the Netherlands," which leaves this place next Wednesday, the 16th instant.

The tin boxes containing the samples will be securely packed in six larger cases, each addressed in the manner directed; and the cost of the whole, including charges, will amount from 160 *l.* to 180 *l.*; the particulars of which, I shall have the honour to transmit to your Board, along with the bill of lading, when the samples are shipped; and I shall then also take the liberty to point out the mode for my reimbursement, having now stated the probable value, for the purpose of effecting insurance, should such be deemed necessary.

I have, &c.

(signed) *Alex. Ferrier.*

(No. 8.)—Copy of a LETTER from Alexander Ferrier, Esq. His Majesty's Consul at Rotterdam, to the Commissioners for the Affairs of India; dated 15th September 1829.

Sirs,

WITH reference to the Letter I had the honour to address you on the 12th instant, I have now to transmit herein Mr. Richard Sharp's bill of lading for shipped on board his vessel "The Queen of the Netherlands" steam boat, bound to London, to your order: Six chests addressed agreeably to your directions, containing 35 samples of tea, of which I also here enclose the invoice, amounting to *f.* 1,929. 02., and making at the exchange of *f.* 12. 12 ½., being that of to-day, 159 *l.* 1 *s.* 10 *d.* sterling, which I beg the favour of you to cause to be paid, at your convenience, into the hands of my friends, Messrs. Coutts & Co. of your city.

In making the sample boxes, I have made a small deviation from your instructions, having omitted the price on the lable, and inserted the name, and the *running* and *assorted* numbers of each sample, the *first* on the *left* and the *second* on the *right corner*, following the description of the sample, which by comparing with the corresponding Nos. in the invoice I trust will be found sufficiently perspicuous.

Of the Bohea and Pekoe teas, there are only two samples of each, because the range of quality did not admit of more. On the other hand, the diversity of assortments found in the Souchon, rendered it advisable to send four samples of this kind. The other sorts comprise three samples.

All the boxes contain at least about the quantity ordered; some unavoidably contain more, from the close packing, it having been considered best to preserve a uniformity in the size of the sample boxes, for the sake of greater security in the outward package.

In further elucidation of the present state of the tea trade in this country, I take the liberty to enclose, for your information, a short account of it, to which I have added a table referring to the 35 samples forwarded, recapitulating the retail prices at which they have been purchased; the corresponding wholesale prices now quoted, which will be generally found higher than those quoted last November; the ships' names by which imported; the name of the Hong merchants by whom shipped; the flag under which imported; and the numbers of the lots by which the parcels are distinguished in the tea establishment.

The table likewise states, by way of remarks, the three respective duties, Nos. 1, 2, 3, under which teas are admissible into this country, both per 100 lbs. and also per half pound Netherlands, the manner of levying which is explained in the further statement which also accompanies the present.

I shall be happy to afford any further information which your Board may think fit to call for, having the honour to subscribe myself, with great respect, &c.

(signed) *Alex. Ferrier.*

(Enclosure, No. 1.)

I. TEA. No. 8.

INVOICE of Thirty-five Samples of Tea, purchased by Alexander Ferrier, Esq. His Majesty's Consul for Rotterdam, the Hague, &c. by order of the Right honourable His Majesty's Principal Secretary of State for Foreign Affairs, on account of the East India Company, and for their account and risk shipped by the Queen of the Netherlands steam-boat, commanded by Richard Sharp, to the address of the Board of Commissioners for the Affairs of India.

	No.	No. lbs.		No.			
No. 1.	1	10. 5	- Bohea -	1	a' 55 Cents per ½ lb. Netherlands	*f.* 11	55
	2	10. 2	- — -	2	- 65 - - - — - - -	13	26
	3	10. 3	- Congo -	1	- 110 - - - — - - -	22	44
	4	10. 2	- — -	2	- 125 - - - — - - -	25	50
	5	11. 7	- — -	3	- 150 - - - — - - -	35	10
	6	10. 7	- Campoi -	1	- 100 - - - — - - -	21	40
No. 2.	7	10. 1	- — -	2	- 115 - - - — - - -	23	23
	8	10. 6	- — -	3	- 200 - - - — - - -	42	40
	9	10. 2	- Souchon -	1	- 110 - - - — - - -	22	44
	10	11. 0	- — -	2	- 180 - - - — - - -	39	60
	11	10. 9	- — -	3	- 225 - - - — - - -	49	05
	12	9.•5	- — -	4	- 290 - - - — - - -	55	10
No. 3.	13	14. 5	- Pecco -	1	- 450 - - - — - - -	130	55
	14	15. 3	- — -	2	- 480 - - - — - - -	146	88
	15	10. 5	- Songlo -	1	- 110 - - - — - - -	23	10
	16	10. 0	- — -	2	- 115 - - - — - - -	23	0
	17	10. 6	- — -	3	- 120 - - - — - - -	25	44
No. 4.	18	10. 0	- Tonkay -	1	- 100 - - - — - - -	20	0
	19	9. 6	- — -	2	- 110 - - - — - - -	21	12
	20	10. 8	- — -	3	- 120 - - - — - - -	25	92
	21	9. 5	- Hyson Skin -	1	- 90 - - - — - - -	17	10
	22	10. 1	- — -	2	- 110 - - - — - - -	22	22
	23	10. 6	- — -	3	- 130 - - - — - - -	27	56
No. 5.	24	11. 0	- Hyson -	1	- 190 - - - — - - -	41	80
	25	11. 0	- — -	2	- 215 - - - — - - -	47	30
	26	10. 3	- — -	3	- 240 - - - — - - -	49	44
	27	15. 9	- Young Hyson	1	- 150 - - - — - - -	47	70
	28	15. 2	- — -	2	- 190 - - - — - - -	57	76
	29	15. 0	- — -	3	- 220 - - - — - - -	66	0
No. 6.	30	14. 3	- Imperial -	1	- 250 - - - — - - -	71	50
	31	15. 0	- — -	2	- 290 - - - — - - -	87	0
	32	14. 2	- — -	3	- 350 - - - — - - -	99	40
	33	17. 1	- Gunpowder -	1	- 300 - - - — - - -	102	60
	34	17. 6	- — -	2	- 340 - - - — - - -	119	68
	35	18. 4	- — -	3	- 380 - - - — - - -	139	84
					f.	1,773	93

CHARGES:

35 boxes a' 175 cents each - - - - -	*f.* 57	75	
2 larger boxes - - - - - - -	5	25	
6 quires of paper - - - - - - -	1	20	
		f. 64	20
Brokerage, 1 per cent - - - - - - - - -		17	74
6 packing cases, a' ½. 90 - - - - - - - - -		17	40
Duty outwards and shipping charges - - - - - - -		4	25
Postages and petty expenses - - - - - - - -		4	50
			108 09
		f.	1,882 02
Commission 2 ½ per cent - - - - - - - - - - -			47 0
			1,929 02
Exch. *f.* 12. 12 ½ - -		£.	159 1 10

(Errors Excepted.)

Rotterdam, 15th September 1829. (signed) *Alex. Ferrier.*

(Enclosure, No. 2.)

A short Account of the State of the Tea Trade in the Netherlands in 1829.

I.
TEA.
No. 8.

THE consumption of Bohea tea is very much diminished by the low prices of Congo, Campoi and Souchon. The importations of the first-mentioned have also of late decreased considerably, and whatever is imported ought to be in *quarter* or in *Congo* chests, which is the description in most general demand. Assuming the quantity of 6,000/4 chests of tea as the basis for an assorted cargo, 400/4 chests of Bohea would be a proper proportion.

Of Souchon, Congo and Campoi, the *first* is most in use, after which follows the *Congo*, and lastly, the Campoi. The consumption of the last-mentioned is not extensive, unless it has a Pecco flavour, in which case it will command high prices. Of these three sorts, the high-flavoured, and those particularly which hold water the best, are most generally esteemed and sought after.

Pecco is sparingly demanded for home consumption. The best qualities, which must be particularly *grey or whitish* at the points, are much inquired after for Brody, on the frontier of Poland and Russia, and command high prices, and considerable orders also come occasionally from Frankfort on the Maine for the same descriptions. A parcel of 400/4 chests of the foregoing description (grey) in a general cargo would be sure to answer well. A *larger* proportion of this kind might subject it to a considerable reduction in value.

Of Tonkay, Hyson Skin and Songlo, the *first* is in greatest demand for the consumption of this country, and the two other sorts in proportion to the rotation in which they here stand.

For a cargo as already described, the proportions of

700/4 chests Tonkay,
400/4 – Hyson Skin,
200/4 – Songlo,

would be considered a good assortment. Of these three sorts, those having the Hyson, or (as it is termed) curled leaf, are most esteemed. The Tonkay of that description is chiefly purchased for Braband, and sometimes also for the Nether Rhine.

Hyson experiences a pretty extensive consumption. The very fine qualities find ready purchasers, at high prices, for the Braband market, where there is a considerable consumption of it; and it is also occasionally ordered at high prices for Germany. Young Hyson (called Uxim in the Netherlands) meets in Holland a tolerable consumption, but it is most generally used in Friesland, and the fine qualities command high prices.

Imperial (of large round grain) is not generally used; but the fine descriptions are sometimes purchased at extravagantly high prices for the Braband market: 150/4 chests would be a proper proportion of this sort.

The fine Gunpowder (small grained) fetches high prices; it is chiefly purchased by English travellers, and likewise for the purpose of smuggling into England, which is also occasionally the case with good Bohea tea in quarter chests.

The prices charged in the invoice of the accompanying samples are the current *retail* prices of the day; but the prices now quoted for the *wholesale* lots or chops at public sales will be found in the annexed Table.

As the Netherlands Trading Company, however, have advertised a sale of 16,583 chests against the 14th October, the present quotations may possibly undergo some alteration, more especially those of the finer qualities, as the sale will chiefly consist of *old* ordinary parcels, purchased by the Company at their first outset, on the spot, on speculation, together with some parcels of middling and good middling qualities, imported by them in 1828 by the ship Helena. The fine qualities are wanting.

The Trading Company intend, for the first time, in the ensuing sale, as far as regards the Helena's cargo, to introduce new conditions; that is, to weigh *net*, without any allowance of *good weight*, and also to deduct only the *real* tares. Hitherto the customary allowances have been from five to seven per cent upon the *real* tares, and about three pounds and a half Netherlands silent weight; and which conditions will probably continue to be granted by individual importers, both Dutch and foreign, as being an additional inducement for purchasing with the dealers in that article.

Tea improves at present in public estimation, and there is a great probability of an advance, if the Americans discontinue their supplies, which they have already begun to do this year, on account of the high duties, and have carried all to Hamburgh, from *whence* partial supplies have come hither, of the fine qualities.

The two first expeditions undertaken by the Trading Company consisted of *four* ships *each* year, but the losses from those operations rendered it advisable for the Company to confine their third and fourth expeditions to two cargoes annually.

It is generally expected that some alteration in the tea trade is at present in contemplation with the Netherlands Government; and the opinion is, that the interest and will of His Netherlands Majesty incline towards a monopoly in favour of the Trading Company, which the dealers of the article are in favour of; while, on the other hand, it is no less generally deprecated by the general commission merchants.

I.
TEA.
No. 8.

The consumption of tea continues without any perceptible increase, which is chiefl y ascribed to the present low state of the coffee market.

The tea establishment referred to in the following Table is conducted by two warehousemen of respectability, and their integrity and responsibility are guaranteed to the public by commissioners, who have the faculty of inspecting and directing the management of the establishment.

Their duties are to receive and warehouse the teas outstanding; to sample and arrange the different

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(Enclosure, No. 3.) - - - - - - - - -

TABLE showing the origin of Thirty-five Samples of Tea, purchased by Alexander Ferrier, Esq. and forwarded to the Commissioners for the Affairs of India, together with the Current Wholesale Importation into

Nos of Chests.	Running Nos of Samples.	Description of Tea.	Assorted Nos of each Description.	Retail Price per ½ lb. Nds.	Wholesale Price per ½ lb. Nds.	NAMES of the Ships by which imported.	NAMES of the Hong Merchants.
				Cents.	*Cents.*		
1.	1	Bohea - -	1	55	50	China - - - -	Manhof - -
	2	— - -	2	65	60	Jorina - - - -	Zouqua - -
	3	Congo - -	1	110	94	Prins Van Orange - -	Chunqua - -
	4	— - -	2	125	115	Stad Rotterdam - -	Chunqua - -
	5	— - -	3	150	140	Nurlands Koning - -	Howqua - -
	6	Campoi - -	1	100	90	Zeicur - - - -	Kinqua - -
2.	7	— - -	2	115	110	Jorina - - - -	Zouqua - -
	8	— - -	3	200	275	Cornèlis Houtman - -	Howqua - -
	9	Souchon - -	1	110	92	Nurlands Koning - -	Manhof - -
	10	— - -	2	180	160	Prins Van Orange - -	Puhankequa -
	11	— - -	3	225	215	Cornèlis Houtman - -	Howqua - -
	12	— - -	4	290	280	Nurlands Koning - -	Mowqua - -
3.	13	Pecco - -	1	450	420	- Ditto - - -	Zouqua - -
	14	— - -	2	480	465	Wilhelmina Maria - -	Howqua - -
	15	Songlo - -	1	110	98	Schoon Verbond - -	Gevnqua - -
	16	— - -	2	115	105	Jorina - - - -	Mowqua - -
	17	— - -	3	120	115	Nurlands Koningin -	Churqua - -
4.	18	Tonkay - -	1	100	98	Zemniv - - - -	Kinqua - -
	19	— - -	2	110	105	Stad Rotterdam - -	Puankhequa -
	20	— - -	3	120	115	Prins Van Orange - -	Mowqua - -
	21	Hyson Skin -	1	90	85	Nurlands Koningin -	Manhof - -
	22	— - -	2	110	100	Jorina - - - -	Mowqua - -
	23	— - -	3	130	125	Stad Rotterdam - -	Puankhequa -
5.	24	Hyson - -	1	190	182	- Ditto - - -	Puankhequa -
	25	— - -	2	215	205	Nurlands Koning - -	Mowqua - -
	26	— - -	3	240	230	Prins Van Orange - -	Manhof - -
	27	Young Hyson -	6	150	140	- Ditto - - -	Mowqua - -
	28	— - -	2	190	180	Nurlands Koning - -	Pankequa -
	29	— - -	3	220	210	Nurlands Koningin -	Kingqua - -
6.	30	Imperial - -	1	250	240	Arme V. Hope - -	Manhof - -
	31	— - -	2	290	280	Stad Rotterdam - -	Puankhequa -
	32	— - -	3	350	340	Washington - - -	Mooghing -
	33	Gunpowder -	1	300	295	Globe - - - -	Choushing -
	34	— - -	2	340	330	Nurlands Koningin -	Chunqua - -
	35	— - -	3	380	375	Stad Rotterdam - -	Puankhequa -

different chops into lots of 20/4 chests, in which quantity they are generally sold, for which they issue warrants, and remain answerable for the identity of the teas, so long as they continue in possession; those warrants in the meanwhile being transferable, and likewise admissible as *legal* pledges for loans of money.

For those respective duties the establishment charges /3, or 300 cents for every 100 kilo or 100 lbs. Netherlands, and the purchasers afterwards pay 10 stivas or 50 cents per month for warehouse rent of 8/4 chests, and further, for weighing and delivery, 8 stivas or 40 cents per quarter chest.

\- - - - - - - - - (Enclosure, No. 3.)

His Britannic Majesty's Consul at Rotterdam, the Hague, &c. for account of the East India Company, and Retail Prices, and the respective Duties levied thereon, under different Circumstances, upon the Netherlands.

Under what Flag imported.	N° of the Lots in the Dutch Tea Establishment.		REMARKS.
American -	Unknown -		
Dutch -	1,802	1,808	
—	1,763	1,781	
—	1,155	1,193	
—	57	87	
—	35	49	
—	1,832	1,843	
—	246	276	The whole of these teas are subject to the same respective duties; the Congo and Bohea tea here described being likewise in quarter chests.
—	858	868	
—	1,875	1,884	
—	310	320	
—	162	172	
—	191	205	
—	324	337	
—	975	990	
—	1,883	1,901	
—	900	916	
—	89	92	
—	1,317	1,331	
—	1,958	1,980	
—	1,013	1,015	
—	1,933	1,943	
—	1,369	1,370	
—	479	488	
—	346	352	
—	2,071	2,077	
—	2,122		
—	371	373	
—	1,050	1,053	
American -	1,940	1,990	
Dutch -	1,407	1,409	
American -	659	663	
—	Unknown -		
Dutch -	1,110		
—	—		

	Inwards.	Outwards.	In Transitu.	
	f. *cts.*	*f.* *cts.*	*f.* *cts.*	
No. 1.—Teas imported direct from Canton, or from any of the Dutch East India possessions, by whole cargoes, under foreign flags, pay -	34 –	– 35	850 –	per 100 kilogramms or 100 lbs. Netherlands, being about equivalent to 200 lbs. old Dutch weight, about 10 per cent heavier than English.
No. 2.—Teas imported under circumstances by the Netherlands flag, pay only -	12 –	– 35	3 –	
No. 3.—Teas imported in broken cargoes and small parcels, independent of the distinction of flag, pay -	51 –	– 35	12 75	

The foregoing duties, with the augmentation of 13 per cent syndicate, bring the duty on

No. 1. - - - to 19 cents
2. - - - - - 7 –
3. - - - - - 29 –
} per ½ kilo, or ½ lb. N^ds.

(Enclosure, No. 4.)

I.
TEA.

No. 8.

DUTIES on TEAS imported into the Kingdom of the Netherlands, according to the Tariff in force in September 1829.

By Ships under Foreign Flags.

Teas, which it shall appear have been imported in whole cargoes direct from China, or any of the Dutch East India possessions pay per 100 kilogrammes or 100 lbs. Netherlands, equal to about 200 lbs. old Dutch weight.

Bohea and common Congo (in whole chests):—

18*f.* - - - - - - -	inwards.
35*c.* - - - - - - -	outwards.
4*f.* 50*c.* - - - - - -	in transitu.

All other sorts:—

34*f.* - - - - - - -	inwards.
35*c.* - - - - - - -	outwards.
8*f.* 50*c.* - - - - - -	in transitu.

By Netherlands built ships, under the Netherlands flag, and for account of Dutch subjects.

Bohea or coarse Congo:—

7*f.* - - - - - - -	inwards.
35*c.* - - - - - - -	outwards.
1*f.* 75*c.* - - - - - -	in transitu.

All other sorts:—

12*f.* - - - - - - -	inwards.
35*c.* - - - - - - -	outwards.
3*f.* - - - - - - -	in transitu.

Teas imported from all other quarters, under a foreign flag, either in whole or partial cargoes.

Bohea or coarse Congo:—

27*f.* - - - - - - -	inwards.
35*c.* - - - - - - -	outwards.
6*f.* 75*c.* - - - - - -	in transitu.

All other sorts:—

51*f.* - - - - - - -	inwards.
35*c.* - - - - - - -	outwards.
12*f.* 75*c.* - - - - - -	in transitu.

All which duties are subject to an augmentation of 13 per cent syndicate.

The duties are levied under the following deductions for tares:—For ordinary kinds of chests, weighing 55 kilogrammes or more, 18 per cent; for all those of ordinary description, weighing under 55 kilogrammes, 25 per cent. As Bohea and common Congo shall only be admitted, unmixed tea imported in whole chests, without such chests serving as covers to small or other packages, there will not be admitted as coarse or common Congo, even if packed in whole chests, if such, as according to the current price at the time of entry, should be valued at 2*f.* per kilogramme or net, or upwards; and therefore all teas entered as such may be assumed by the custom-house officers at the value of 2*f.*, with the supplementary advance according to the laws of the customs applicable to such emergencies.

(No. 9.)—Copy of a LETTER from Christian Koch, Esq. His Majesty's Consul at Frankfort, to J. Bidwell, Esq.; dated 4th October 1829.

Sir, British Consulate, Frankfort, Oct. 4. 1829.

I HAVE the honour to enclose the account of purchase of tea, made by order of the Right Hon. the Earl of Aberdeen, for the Board of Commissioners for the Affairs of India, transmitted to me in your letter, dated 12th August, which reached me on the 31st August.

During the present September fair I had the best opportunity of procuring the several sorts of tea, consisting of the highest, middle and lowest classes in most general use for consumption in this town, as well as for exportation into the interior of Germany and Switzerland.

The purchase consists of 10 different qualities, and 20 lbs. weight each, as stated in the enclosed account, which states all the particulars.

I have

I.
TEA.
No. 8.

I have expedited the same through the hands of Mr. Martin John Senison at Hamburgh, in a case, marked as prescribed, who will ship it by a fast-sailing British vessel for London, under regular advice, and claim his disbursements from the captain, to be reimbursed, together with the freight, on delivery.

The case weighed here cwts. $3\frac{1}{4}$, and the land-carriage to Hamburgh has been stipulated at rix-dollars 2 lb. or o *k.* in gold per cwt. (about 6 *s.* 8 *d.* per cwt.) to be delivered there on the 18th inst.; and as vessels are constantly in lading, the samples will probably reach London before the end of this month. They are packed in three original tea chests, each quality in a separate package, (as per invoice,) and the quality and price is marked on each. These three chests are marked A. B. C., and sealed with my official seal.

A. contains,

Green.
- No. 1.—20 lbs. the Hyson Skin ordinaire, per lb. - *f.* 45 *kreutzer*, or 1 *s.* 3 *d.* per lb.
- No. 2.—20 lbs. the Songlo fin, per lb. 1 *f.* or 1 *s.* 8 *d.* per lb.
- No. 3.—The Hyson fin, per lb. 1 *f.* 45 *kr.* or 2 *s.* 11 *d.* per lb.

B. contains,

Green.
- No. 4.—20 lbs. the Imperial ordinaire, per lb. 2 *f.* or 3 *s.* 4 *d.* per lb.
- No. 5.—20 lbs. Poudre ā Canon, extra fin, per lb. 3 *f.* or 5 *s.* per lb.

Black.
- No. 6.—20 lbs. superior Bohea, per lb. 4 *f.* 8 *kr.* or 1 *s.* 4 *d.* per lb.
- No. 7.—20 lbs. superior Kempoy, per lb. 1 *f.* 45 *kr.* or 2 *s.* 11 *d.* per lb.

C. contains,

Black.
- No. 8.—20 lbs. the Souchong fin, per lb. 1 *f.* 30 *kr.* or 2 *s.* 6 *d.* per lb.
- No. 9.—20 lbs. superior Souchong, per lb. 2 *f.* 15 *kr.* or 3 *s.* 9 *d.* per lb.
- No. 10.—20 lbs. Peccoe fin, per lb. 3 *f.* or 5 *s.* per lb.

The calculation in shillings has been made by adopting the exchange on London at 12 *f.* Carolin at 11 *f.*

The duty on tea of all sorts at Frankfort is hardly one farthing on the pound weight, and therefore not marked on each sample.

My disbursements on this expedition amount to 362 *f.* Carolin at 11 *f.*; viz.

Per bill (enclosed) of Mr. Henry Schmidt, first house in the tea trade here,	358 *f.* 42 *k.*
Cartage - - - - - - - - - - - - -	2 *f.* –
Postages to Hamburgh, &c. - - - - - - - - - -	1 *f.* 18 *k.*
Florins 362 –	

£. 30. 8. 5. sterling, exchange at 11 *f.* 54 *k.* per pound sterling; and I solicit that the said sum of 30 *l.* 8 *s.* 5 *d.* sterling, may be paid for my account into the hands of Messrs. Fletcher, Alexander & Co., No. 10, King's Arms Yard, Coleman street.

I have the honour to be, &c.

(signed) *Christian Koch*, Consul.

(No. 10.)—Copy of a LETTER from Sir Daniel Bayley, His Majesty's Consul General at St. Petersburgh, to John Bidwell, Esq.; dated 25th Sept.—7th October 1829.

Sir,

I HAVE the honour to acknowledge the receipt of your letter of the 12th August, conveying to me Lord Aberdeen's directions to procure and transmit to the Commissioners for the Affairs of India fair samples of the several sorts of tea sold here, embracing the highest, middle and lowest qualities of tea in most general use.

In obedience to these commands, I have procured, and put on board a vessel bound for London, called the Sappho, John Gatenby, master, a case containing samples of the tea as specified in your letter; to the directions therein I have attended as closely as possible.

I now enclose an account of the tea, amounting to £. 75. 3. 5. at the exchange of the day, which I request you to cause to be paid to Mr. Benjamin Read, No. 5, Great Tower-street.

I also enclose a specification of the tea, the bill of lading, and a price current.

The usual passage of ships from Cronstadt to London is a month at this season, and the Sappho may be expected about that time.

I have, &c.

(signed) *Daniel Bayley*, Consul General.

(Enclosure, No. 1.)

I. TEA. No. 8.

Account of one Box containing Samples of Tea, shipped on board the Sappho, Captain Gatenby, to the Honourable the Commissioners for the Affairs of India.

In more general use.

		Rbls.	*Rbls.*
25 lb.	highest black flower tea - - - - a' 15 -	375	
25 —	lowest ditto - - - - - - a' 10 -	250	
25 —	highest black family tea - - - - a' 8 -	200	
25 —	lowest ditto - - - - - - a' 5 -	125	
25 —	highest green tea - - - - - a' 15 -	375	
25 —	lowest ditto - - - - - - a' 8 -	200	
			1,525
	Export duty, 2. 70., and custom-house charges - - -	17 73	
	Freight *paid here*, 1 *l.* - - - - - - - -	22 58	
	Six boxes and one case, mats, ropes, &c. - - - -	39 —	
	Shipping charges and sending to Cronstadt - - - -	40 50	
	Postages - - - - - - - - - -	48 16	
			167 97
		Rbls.	1,692 97
	a' 10. 21.32 *d.* - - -	£.	75 3 5

St. Petersburgh, 25th Sept.—7th Oct. 1829.

(Enclosure, No. 2.)

Specification of the Samples of Tea sent per Sappho.

				Per lb. Russ.
25 Russ. lbs.	highest black flower tea, a' 15 *c.* per lb. - - -			2 10 *cop.*
25 —	lowest ditto - - - 10 — - - - -			2 10
25 —	highest black family tea - 8 — - - - -			1 67 ½
25 —	lowest ditto - - - 5 — - - - -			1 67 ½
25 —	highest green tea - - 15 — - - - -			2 10
25 —	lowest ditto - - - 8 — - - - -			1 32 ½
	The above reduced into English weight and sterling money.			*Per lb. Eng.*
22 ½ Eng. lbs.	highest black flower tea, a' 14/5 - - - -			2 *s.* — ½ *d.*
22 ½ —	lowest ditto - - 9/9 - - - -			2 — ½
22 ½ —	highest black family tea 7/10 - - - -			1 7 ½
22 ½ —	lowest ditto - - 4/10 - - - -			1 7 ½
22 ½ —	highest green tea - 14/5 - - - -			2 — ½
22 ½ —	lowest ditto - - 7/10 - - - -			1 3 ½
	Being retail prices of sorts in most general use.			

Import duty at Kiachta.

Drawback for licenses taken out for the exportation of tea:

On all black teas, without distinction - - 1 *s.* 7 ½ *d.* per lb. Eng.

On all green teas, without distinction - - 1 *s.* 3 ½ *d.* ditto.

Export duty on all teas, 20 cop. silver per pood, or 2 *s.* per cwt. Eng.

The consumption of black compared to green tea is as 80 to 1.

Petersburgh.

(Enclosure, No. 3.)

I.
TEA.
No. 8.

Magasin de Thés Chinois de Marinine, nouvellement reçus de la foire de Nijni Noogorod, de l'année 1829.

Se vendant à des prix inférieurs aux anciens, dans le magasin de M. Marinine, Perspective de Neosky, en face de la Cathédrale de Casan, maison du Pharmacien Imsen, No. 23, près de la Pharmacie.

Prix Courant.—Thés Noirs.	Prix de la Livre. Rbls.	Cop.
Thé ordinaire	4	–
Thé supérieur	5	–
Thé de famille, nommé Mioncone	5	50
Thé de famille supérieur	6	50
Thé odoriférant, nommé Hin-Soun-Tshen-Youin	7	–
— supérieur nommé You-Tshen-You-Yan-Toumi	8	–
Thé de fleurs, nommé Sine-You-Tsoune-Dsi	9	–
— — Sian-Fa-Tshon-Dsi	10	–
— — Vane-Soune-Tsho-Dsi	11	–
Thé de fleurs supérieur, nommé Mi-You-Kone-Dsi	12	–
Thé liansine, ou odoriférant, nommé Ha-Tshen-Tshou-Ane-Same	15	–
— — Vane-Soune-Tshou-Ane-Peha	18	–
— supérieur, nommé Sou-Fa-Tshone-Peha	20	–
Thés du Khan, supérieurs et blancs.		
Thé de Fousy Rosé-A-Dsi-Losane-Ossoska	25	–
— Tia-I-Mo-Li aux roses, ou aux trois lys	30	–
— Losane Bouqueta, thé du Khan blanc	35	–
Thé de premiere qualité, nommé Foutsanskoy, dans des boîtes de plomb, doublées d'etoffes en soie blanche	50	–
Thés Liane Sine-emboîtes; et Thés du Khan supérieurs.		
Thés de diverses dénominations, en boîtes vernissées, et dans des étuis en plomb, pesant de 2 ½ livres, à 5 ½ livres, du prix de 50 R., à	125	–
Thé dúne qualité très supérieure, en boîtes richement ornées d'etoffes Chinoises, en soie, pesant de 2 ½ livres, à 4 livres, du prix de 100 R., à	200	–
Thé supérieur, nommé Kon-Lane-Samé, en boîtes richement ornées de figures Chinoises, et d'etoffes en soie, pesant 1 ½ livre, prix de la boîte de 150 R., à	250	–

Les personnes qui désireront se procurer les qualités de thés ci-dessus designées, les recevront dans les veritables boîtes Chinoises de 1, 2, 3, 5, et 10 livres, et convenablement emballées pour le transport, de même que dans les Zibiks entiers, d'apres le prix courant.

Thés Verts.	Prix de la Livre. Rbls.	Cop.	Prix de la Boîte. Rbls.	Cop.
Thè nommé Lianzeooy	7	–	–	–
— Gentshongenoy	8	–	–	–
— — supérieur	10	–	–	–
— Tshani-Goosskoy, supérieur	12	–	–	–
Thé, en petites boîtes 1 ¼ de livres	–	–	12	–
Thé Vonsovoy, nommé Kone-Sou-T-Joulane	15	–	–	–
— supérieur, dans des boîtes en plomb, 1 ¼ de livre	–	–	17	–
Thé du Khan, de Fousy-Losana-Bouqueta	25	–	–	–
— supérieur, de Fousy Losana Ossoska	35	–	–	–
Thé de fleurs odriférantes, nommé Kou-Lane, qualité supérieur	50	–	–	–

Les personnes de l'interieur pourront se procurer sans le moindre retard ces mêmes qualiés de thés aux prix ci-dessus indignés, en s'addressant au dit magasin, et en ajoutant a leurs demandes les frais de port.

I. TEA. No. 8.

(No. 11.)—Copy of LETTER from J. C. Buchanan, Esq., His Majesty's Acting Consul at New York, to John Bidwell, Esq.; dated 31st October 1829.

Sir,

I HAVE the honour to acknowledge your Letter of the 13th of August last, desiring me, by directions from the Earl of Aberdeen, that I should procure and transmit to the Board of Commissioners for the Affairs of India, fair samples of the several sorts of tea sold at New York, and instructions as to the manner and form in which his Lordship's directions should be attended to.

I have procured samples of the above article, and beg to enclose invoice and bill of lading thereof, and also a statement of the expense incurred, which I can be reimbursed through Messrs. Puget and Bainbridge's, bankers.

The quantity of several of the samples will be found considerably over 20 lbs. weight, where packages could not be found of that weight, and it would not be a fair sample to break the packages. The wholesale and retail prices appear in separate columns, and the duty payable; no drawback of duty could be allowed here, as there was not 50 dollars worth imported in any one ship, which is required to claim it.

The ship "Hannibal" is now ready to sail, and will probably arrive as soon as you receive this letter.

I am, &c.

(signed) *J. C. Buchanan,*
Acting British Consul.

(Enclosure, No. 1.)

INVOICE of Tea shipped on Board the Hannibal, F. H. Hebbard, master, for London, containing three Chests, eight Half-Chests, one Case, and four Cattys, by His Majesty's Consul at New York, to the Commissioners for the Affairs of India in London.

No.	QUALITIES.	PACKAGE.	Weight.	Price at Importers Sale at Auction.	Price at Traders Stores.	AMOUNT.		City Price by Retail.	DUTY Charged.
			Lbs.	*Cts.*	*Cts.*	*Dlls.*	*Cts.*	*Cts.*	*Cts.*
1.	Hyson - -	chest -	68	106	110	74	80	125	40
2.	Ditto - -	half ditto -	35	93	96	33	60	112 ½	40
3.	Ditto - -	ditto -	29	87	90	26	10	100	40
4.	Young Hyson -	ditto -	48	100	104	49	92	118 ¾	40
5.	Ditto - -	ditto -	49	85	90	44	10	100	40
6.	Hyson Skin -	chest -	57	66	68	38	76	75	28
7.	Ditto - -	half ditto -	30	53	56	16	80	62 ½	28
8.	Souchong -	case - -	21	86	90	18	9	100	25
9.	Ditto - -	half chest -	31	68	70	21	70	75	25
10.	Ditto - -	ditto -	34	53	56	19	4	62 ½	25
11.	Pouchong -	ditto -	36	68	70	25	20	87 ½	25
12.	Ditto - -	chest -	62	57	60	37	20	75	25
13.	Gunpowder -	two cattys -	26	128	133	34	58	150	50
14.	Imperial - -	ditto -	26	114	117	30	42	125	50
					Dlls.	471	12		

The Custom-House allows 20 lb. tare on all chests containing green tea; the actual weight is less, one pound, which is always added by the importer to the dealer. When covered with matting, an allowance of two pounds is made on each chest. The tare of packages is found by emptying two or more, and averaging the weight. At most public sales the price of costs will vary from three to nine cents a lb. Small invoices of very fine Hyson and Young Hyson will often sell from 125 to 150 cents a lb.; the difference on other descriptions will not be so great.

All teas are sold for approved notes at six months.

New York, Oct. 19, 1829. (Errors excepted.)

I.
TEA.
No. 8.

	REMARKS.		
No. 1.	a fair sample - -	for first quality -	for city trade.
2.	- ditto - - -	second ditto - -	- ditto.
3.	- ditto - - -	third quality - -	country trade.
4.	- ditto - - -	first ditto - -	city trade.
5.	- ditto - - -	second ditto - -	ditto and country ditto.
6.	- ditto - - -	first ditto - -	city trade.
7.	- ditto - - -	most consumed in country.	
8.	- ditto - - -	first quality - -	for city trade.
9.	- ditto - - -	second ditto - -	ditto and country ditto.
10.	- ditto - - -	most consumed in country.	
11.	- ditto - - -	first quality - -	for city trade.
12.	- ditto - - -	second ditto - -	- ditto.
13.	- ditto - - -	of middle quality.	
14.	- ditto - - -	for southern or New Orleans trade.	

(Enclosure, No. 2.)

STATEMENT of Expense incurred in obtaining Samples of the several sorts of Tea sold at New York, by directions of the Earl of Aberdeen, for the Board of Commissioners for the Affairs of India, by H. M. Consul at New York.

	Dlls.	Cents.
14 packages of tea, cost - - - - - - - - -	471	12
Charges, shipping, &c. - - - - - - - - - -	4	00
	475	12
Commission, two and a half per cent on 475 *d.* 12 *c.* - - -	11	87
Dlls.	480	99

New York, 31st October 1829.

(No. 12.)—Copy of a LETTER from George Manners, Esq., His Majesty's Consul at Boston, to John Bidwell, Esq.; dated November 25, 1829.

Sir,

IN compliance with the instructions of the Earl of Aberdeen, I have shipped on board the American ship Dover, bound to Liverpool (where she will probably arrive between the 20th and 26th December), 12 packages, containing samples of teas most generally used in this State, which I have addressed as desired, and, as no vessel will sail hence for London for some time, consigned to the collector of His Majesty's Customs at Liverpool, to whom I have written, and enclosed a bill of lading.

I deemed it advisable to take sufficient quantities to enable me to receive the drawback of the whole duties; to entitle me to which, it was necessary to take as much as was charged with 50 dollars duty *on each separate importation.* Could I have obtained all the required samples out of one and the same cargo, a less quantity would have sufficed. I have the honour to observe, that unbroken packages will prove much more correct samples than could have been obtained from tea dealers, who would have charged retail prices, which,

I. TEA. No. 8.

with the duties that must have been paid, would have amounted to as much or more expense than has been incurred.

The teas were selected for me by Mr. Bryant P. Tilden, who has great experience in the Canton trade, and were purchased at the same prices that would have been charged by the 100 chests. I am much indebted to him, and also to Messrs Perkins & Co. of this city, who are the most extensive East India merchants in the United States, for the information which enabled me to make out the correct statement, which I have the honour to transmit herewith for the Commissioners for the Affairs of India in London, and of which I shall send copies in duplicate by the Dover for the perusal of the Earl of Aberdeen, conceiving that it may be useful to refer to when the question relative to the renewal of the East India Company's charter shall be taken into consideration. It will be seen that in addition to the present wholesale and retail prices, I have stated their prime cost at Canton.

The whole cost and charges of the teas were 508 dollars and 32 cents; from which is to be deducted 236 dollars 76 cents, being the amount of duties (as per invoice herewith sent) which will be paid on receipt of a certificate on landing from the American Consul, which I have requested the collector of the customs at Liverpool to obtain and forward to me. The balance of 271 dollars 56 cents I will thank the Commissioners for the Affairs of India to have paid into the hands of Messrs. Robert & William Pulsford, of Great St. Helen's, London, merchants, to the credit of Messrs. Isaac Winslow & Son, of Boston, merchants.

I have, &c.

(signed) *George Manners.*

(No. 13.)—Copy of a LETTER from George Manners, Esquire, His Majesty's Consul at Boston, to the Commissioners of the India Board; dated November 25th, 1829.

My Lords and Gentlemen,

IN conformity with instructions received from His Majesty's Principal Secretary of State for Foreign Affairs, I have forwarded to you, by the American ship Dover, *viâ* Liverpool, there being no vessel about to sail hence for London, 12 packages, containing samples of teas most generally used in this State, and have the honour to transmit herewith a Statement containing all the information required, together with their prime cost in Canton.

In my despatch relative to the subject, forwarded to the Foreign Office, I have explained all the circumstances respecting the purchase of the samples. I shall be obliged by your paying the amount of the cost and charges; viz. 271 dollars 56/00. into the hands of Messrs. Robert & William Pulsford, of Great St. Helen's, London, merchants, to the credit of Messrs. Isaac Winslow & Son, of Boston, merchants.

I have transmitted duplicate invoices, and the necessary vouchers to the Foreign Office. The packages have on them a printed address similar to the enclosed. I have consigned them to the collector of His Majesty's customs at Liverpool, whom I have requested to obtain from the American Consul the certificate of landing necessary to cancel the bonds given here, and so enable me to receive back the drawback.

I have, &c.

(signed) *George Manners.*

(Enclosure, No. 1.)

I.
TEA.
No. 8.

INVOICE of Twelve Packages of Tea, shipped by His Britannic Majesty's Consul at Boston, George Manners, on board Ship Dover, Captain Burnty, bound to Liverpool and consigned to the Collector of the Customs for that Port, being for account and risk of the Commissioners for the Affairs of India in London.

| N° | CARGO. | | |

(Enclosure, No. 2.) - - - - - - -

I.
TEA.

No. 8.

Wholesale and Retail Prices, and Cost in China, of Twelve Samples of Tea, forwarded

Number of the Packages.	DESCRIPTION.	Quality.	Quantity.	Duty per lb.
			Lbs.	*Cents.*
1.	1 chest Tonkay Hyson - - -	ordinary -	78	28
2.	1 case (2 boxes) Souchong - - -	superior -	50	25
3.	1 chest Souchong - - - -	common -	86	25
4.	1 ditto Hyson Skin - - - -	fair - -	65	28
5.	1 ditto - ditto - - - - -	ordinary -	62	28
6.	1 ditto Young Hyson - - - -	good - -	90	40
7.	1 ditto Tonkay Hyson - - -	fair - -	82	28
8.	1 package (2 boxes) Hyson - - -	good - -	20	40
9.	1 chest Hyson - - - - -	fair - -	63	40
10.	1 ditto ditto - - - - -	ordinary -	63	40
11.	½ ditto ditto - - - - -	common -	35	40
12.	½ ditto ditto - - - - -	middling -	35	40

I have the honor to observe, that Imperial, the highest class of Hysons and Bohea teas, none is imported *under that name*) is 50.[8] cents per lb., and on the latter (Bohea) 40 cents per lb.; Hyson Skin and Tonkay Hyson, 28 cents; Souchong, and all black exportation; but no drawback is allowed unless the duties amount to 50 dollars on goods 8, 10 and 18 months, and are secured by the bonds of the importers, and two or more sent were obtained at the prices charged by the hundred chests. Tea dealers who take prices of teas in Boston are as follow; viz. Imperial, 1 *dll.* 25/00; Hyson, from 90/00 to from 57/00 to 75/00; black teas, such as Souchong, Congo, Campoi, &c. from 50/00 to

The preceding statement may be implicitly relied on, as my information was obtained China was copied from the original invoices. It will be seen, when freight, interest and States without any profit to the importers.

British Consulate, Boston,
November 25th, 1829.

- - - - - - - (Enclosure, No. 2.)

by His Majesty's Consul to the Commissioners for the Affairs of India in London.

I.
TEA.
No. 8.

Whole Cost of Samples, free of Duty.	Price per lb. by the 100 Chests, free of Duty.	Retail Price paid by the Public, Duty included.	Cost per Pecul in China.	REMARKS.
Doll. Cents.	*Cents.*	*Doll. Cents.*	*Tales.*	
17 16	22	– 57	16	The pecul is about 133 lbs.; the tale about 1 *dll.* 25/00 *cts.*
25 –	50	– 85	35	
18 92	22	– 56	15	much used.
17 55	27	– 62 ½	20	- ditto.
13 2	21	– 57	16	used in the country.
36 –	40	– 90	34	much used.
22 96	28	– 67 ⅔	20	used same as Hyson skin.
11 –	55	1 12 ½	44	
29 92	47 ½	1 –	40	much used.
25 20	40	– 90	30	- ditto.
15 75	45	– 95	32	- ditto.
17 50	50	1 5	42	(Exchange 9½ per cent advance.)

are not generally used in Boston. The duty on the first, and on Gomer Hyson, (of which 12 cents. The duties on other teas are as follow; viz. Hyson and Young Hyson, teas, 25 cents per lb. A drawback of the whole (without any deduction) is allowed on of the same importation or cargo. The duties on all goods from China are payable at sureties. A discount of four p r cent only is allowed on prompt payment. The samples only a few chests are charged about four per cent more. The present retail current 1 *dll.* 25/00; Young Hyson, from 90/00 to 1 *dll.* 12 ½/00; Hyson Skin and Tonkay Hyson, 70/00; Bohea, from 25/00 to 33 ⅓ per lb

in a manner and from sources which precluded the possibility of deception. The cost in insurance are taken into consideration, that teas are, at present, imported into the United

(signed) *George Manners,*
His Majesty's Consul in Massachusetts.

I.
TEA.
No. 8.

(No. 14.)—Copy of a LETTER from George Bankes, Esq. to Thomas Lack, Esq.; dated at the India Board, 18th January 1830.

Sir,

THE Commissioners for the Affairs of India having considered it advisable to obtain from foreign Europe and America samples of the Teas imported into those countries, are desirous that these samples should be examined by a few of the most respectable tea-brokers, in the presence of some person deputed by the Committee of Privy Council for Trade.

I am therefore directed by the Board to request that their Lordships will appoint some officer of their establishment to attend in Cannon-row for this purpose, and that they will also, if it be in their power, furnish the Board with a list of such persons engaged in the tea trade as are likely to pronounce a just opinion on the respective qualities of the teas.

I have, &c.

(signed) *George Bankes.*

(No. 15.)—Copy of a LETTER from Thomas Lack, Esq. to George Bankes, Esq.; dated at the Board of Trade, 5th February 1830.

Sir,

WITH reference to your Letter of the 18th ultimo, relative to the examination of some samples of Tea lately received by the Commissioners for the Affairs of India from foreign Europe and America, I am directed by the Lords of the Committee of Privy Council for Trade to transmit to you the enclosed copy of a letter which has been written to me by direction of the Commissioners of Excise, and in which is contained a list of the names of eight firms or houses of tea-brokers, by whom the greatest quantities of tea have been purchased at the East India Company's sales in the last year, and who therefore appear to their Lordships to be the fittest persons to consult on this occasion.

The Lords of this Committee direct me to suggest, that it may be advisable to request of each firm they would communicate the name of the person whom they would recommend for the purposes of the proposed examination.

I am to request that the Lords of this Committee may be apprized of the time when the examination is to be made, and they will take care that Mr. Hume, one of their assistant secretaries, shall attend the meeting.

I have, &c.

(signed) *Thomas Lack.*

(Enclosure in No. 15.)

Copy of a LETTER from J. C. Freeling, Esq. to Thomas Lack, Esq.; dated at the Excise Office, 30th January 1830.

Sir,

I AM directed by the Commissioners of this Revenue to transmit you, for the purpose of being laid before the Lords Committee of Privy Council, appointed for the consideration of all matters relating to Trade and Foreign Plantations, a statement of the names and addresses of eight houses or firms of tea-brokers, who appear on inquiry to have been the largest purchasers of tea in the last twelve months, as required by your letter of the 27th instant:

Messrs. Styam's, No. 5, Scott's-yard, Bush-lane;
– Varnham & Co. No. 4, Copthall-court;
– Brooke & Co. No. 37, Old Jewry;
– Kemble & Co. St. Antholin's Church-yard, Watling-street;
– Layton & Co. 41, Lime-street;
– Thompson & Co. 1, Dunston-court, Mincing-lane;
– Watkins & Co. 17, London-street, Fenchurch-street;
– Gibbs & Co. 3, White Hart-court, Lombard-street.

I am, &c.

(signed) *J. C. Freeling.*

I.
TEA.
No. 8.

(No. 16.)—Copy of a Circular LETTER from B. S. Jones, Esq. to Messrs. Styam, Messrs. Varnham, & Co.; Messrs. Brooke & Co.; Messrs. Kemble & Co.; Messrs. Layton & Co.; Messrs. Thompson & Co.; Messrs. Watkins & Co.; and Messrs. Gibbs & Co.; dated at the India Board, 5th February 1830.

Gentlemen,

THE Commissioners for the Affairs of India have received, from certain of His Majesty's Consuls on the Continent of Europe and the United States of America, samples of the Teas imported in the several places where they respectively reside.

The purpose for which these samples have been procured, is to ascertain the relation which they bear in quality and in price to the teas imported by the East India Company into the United Kingdom.

At the request of this Board, the Lords of the Committee of Privy Council for Trade, having applied to the Commissioners of Excise for the names of such firms or houses of tea-brokers by whom the greatest quantities of tea have been purchased at the East India Company's sales, have been furnished with a list in which the name of your firm appears.

I am directed by the Board to request that you will be pleased to communicate to me the name of the person whom you would recommend for the purpose of assisting in the examination of the said samples.

As it is the wish of the Board that the examination should be entered upon with the least possible delay, a messenger will wait upon you to-morrow for any answer which you may be pleased to return to this communication.

I am, &c.
(signed) *B. S. Jones.*

(No. 17.)—Copy of a LETTER from B. S. Jones, Esq. to Peter Auber, Esq.; dated at the India Board, 5th February 1830.

Sir,

THE Commissioners for the Affairs of India having, in concert with the Lords of the Committee of Privy Council for Trade, taken measures for insuring the attendance at this office of persons duly qualified to conduct an examination of the samples of Tea which have been lately received from His Majesty's Consuls on the Continent of Europe and in the United States of America, I am directed to request that you will move the Court of Directors to nominate an individual to be present on behalf of the East India Company at the said examination.

I am, &c.
(signed) *B. S. Jones.*

(No. 18.)—Copy of a LETTER from Peter Auber, Esq. to B. S. Jones, Esq.; dated at the East India House, 6th February 1830.

My Dear Sir,

IN accordance with your suggestion, I have consulted the Chairman with regard to the individual who should attend to the examination of the samples of foreign Tea received from His Majesty's Consuls; and I beg to acquaint you that the tea warehousekeeper has been directed to attend such examination, and he will call upon you for the purpose of making such arrangements as may be necessary in consequence.

I am, &c. &c.
(signed) *P. Auber.*

(No. 19.)—Copy of a LETTER from H. H. Goodhall, Esq. to B. S. Jones, Esq.; dated 6th February 1830.

Sir,

IN consequence of your letter to the Secretary at the East India House, I am directed by the Chairman to confer with you upon the subject of the intended examination of the samples of Tea which have been received from the Continent, and also from America, and will do myself the honour of waiting upon you by 11 o'clock on Monday morning.

I am, &c. &c.

(signed) *H. H. Goodhall*
Tea Warehousekeeper.

(No. 20.)

I. TEA. No. 8.

[*Note.*—It having been proposed by Mr. Goodhall that the firm of Venn & Co., (although not included in the list of tea-brokers furnished by the Commissioners of Excise,) should be invited to attend at the examination of the foreign Tea, and the Board of Trade having seen no objection to the proposal, the following letter was accordingly addressed to Messrs. Venn.]

Copy of a LETTER from B. S. Jones, Esq. to Messrs. Venn & Co.; dated at the India Board, 8th February 1830.

Gentlemen,

THE Commissioners for the Affairs of India have received from certain of His Majesty's Consuls on the Continent of Europe, and in the United States of America, samples of the Teas imported in the several places where they respectively reside. The purpose for which these samples have been procured is, to ascertain the relation which they bear in quality and in price to the teas imported by the East India Company into the United Kingdom.

I am directed by the Board to request that you will be pleased to communicate to me the name of the person whom you would recommend for the purpose of assisting in the examination of the said samples.

As it is the wish of the Board that the examination should be entered upon with the least possible delay, a messenger will wait upon you to-morrow for any answer which you may be pleased to return to this communication.

I am, &c. &c.
(signed) *B. S. Jones.*

(No. 21.)—Copy of a LETTER from B. S. Jones, Esq. to J. C. Freeling, Esq.; dated at the India Board, 8th February 1830.

Sir,

THE Commissioners for the Affairs of India being desirous that the examination of such of the samples of foreign Teas as have been received from His Majesty's Consuls should be entered upon forthwith, I am directed to request that you will move the Commissioners of Excise to order one of their officers to attend at the India Board in Cannow-row, at 11 o'clock to-morrow morning, to witness the opening of the packages containing the said samples, and to take such precautions as he may deem to be necessary for the safe custody thereof.

I am, &c. &c.
(signed) *B. S. Jones.*

(No. 22.)—MEMORANDUM by B. S. Jones, Esq.; dated at the India Board, 15th March 1830.

THE tea-brokers who were invited to examine the samples of foreign Tea, attended at the India Board Office on Monday, the 15th February.

There were also in attendance Mr. Goodhall, the East India Company's Tea warehousekeeper, Mr. Hunt, one of the clerks in his office, Mr. Hume, assistant secretary to the Board of Trade, and Mr. Jones, assistant secretary to the India Board.

The tea-brokers, after conferring together, observed, that although they were willing to enter immediately upon the examination of the samples, it would better suit their convenience if the examination could be postponed until after the conclusion of a tea sale, which was about to take place at the East India House; and they mentioned Monday, the 15th March, as the day when they should be quite at liberty to inspect and examine the said samples. Lord Ellenborough and Mr. Herries respectively acquiesced in this proposal.

It was suggested, that labels should be affixed to the sides of the several packages of the teas, and numbered from 1 to 103 (being the total number of the samples), and that the *tops* of the packages, on which are marked the prices paid by the Consuls for the teas, should be taken off, and placed out of the sight of the brokers.

This was accordingly done previously to the meeting which took place on the 15th March; when the brokers drew samples for the purpose of being removed to their respective abodes, where they could, more conveniently than at the India Board Office, subject the teas to the usual tests. Samples were also taken by Mr. Goodhall, the East India Company's tea warehousekeeper.

(signed) *B. S. Jones.*

I.
TEA.
No. 8.

(No. 23.)—Copy of a LETTER from B. S. Jones, Esq. to J. C. Freeling, Esq.; dated at the India Board, 16th March 1830.

Sir,

IN reference to my Letter of the 8th ultimo, I beg to inform you, that the tea-brokers attended yesterday for the purpose of examining the samples of Foreign Tea forwarded by His Majesty's Consuls to the Commissioners for the Affairs of India. As the chambers in which the said samples have been deposited are ill adapted to the process of examination, the brokers have judged it necessary that each individual should be furnished with small samples, of about half a pound, of each parcel of tea, in order they may severally examine the same at their own houses.

They also expressed a wish to be permitted to inspect the tea in bulk at such times as may suit their convenience respectively, instead of being obliged to come in a body for that purpose. If this latter request should be complied with, it will be necessary that I, or some other person on the spot, should have access to the chambers containing the teas; and as your officers, Mr. Snitch and Mr. Saunders, do not feel themselves warranted, without express authority from the Commissioners of the Excise, either to relinquish the custody of the tea, or to allow the samples to be forwarded to the tea-brokers, I have to request, that you will be pleased to move the said Commissioners to issue such orders as may facilitate the performance of the duty which has been assigned to the tea-brokers.

I am, &c. &c.

(signed) *B. S. Jones.*

Note.—To the foregoing Letter a verbal answer was conveyed to Mr. Jones by the above-mentioned officers of Excise, who superintended the removal of the samples drawn by the brokers, and delivered the keys of the chambers containing the teas into Mr. Jones's hands.

(No. 24.)—Copy of a LETTER from certain firms of Tea Brokers to B. S. Jones, Esq.; dated London, 6th April 1830.

Sir,

IN compliance with your request, we have separately examined the samples of Teas received from the Honourable Board, and subsequently compared our Estimate, the result of which we beg to subjoin.

We think it right to observe that two of the samples of Bohea are decidedly inferior in quality to any imported of late years by the Honourable the East India Company. With reference to the samples of Congo, which is the description of tea principally consumed in this country, (about two-thirds of the whole,) there being in each quarterly sale nearly 100 samples, which sell at prices varying from 2*s.* to 3*s.* 3*d.* per lb., and as we are only furnished with five samples, it must be obvious that we can form but a limited opinion as to the relation which they bear in quality to those of the East India Company.

The importations of Pekoe, young Hyson and Gunpowder are very uncertain, being chiefly in the privilege of the officers of the Company's ships, and vary very materially in quantity at different periods; consequently fine Pekoe, when the quantity in the market has been large, has sold as low as 3*s.* 9*d.* per lb., but from the present scarcity cannot now be obtained under 5*s.* 6*d.* per lb. The prices we have therefore affixed are intended to illustrate the relative qualities and worth in a market moderately supplied, rather than the present value, which is unusually high.

We are, &c. &c. &c.

(signed)
T. Bowley.
Richard Gibbs.
Henry Kemble.
James Layton.
James Layton, jun.
H. W. Maccaughey.
Wm. Styam.
Wm. Jas. Thompson.
Thos. Watkins.

I.
TEA.
No. 8.

(Enclosure to No. 24.)

ESTIMATE.

No.		s.	d.	No.		s.	d.
1.	Bohea - - -	1	4	54.	Young Hyson - -	3	9
2.	Ditto - - -	1	4½	55.	Ditto - - -	4	1
3.	Congo - - -	2	1½	56.	Imperial - - -	4	6
4.	Ditto - - -	2	6	57.	Ditto - - -	5	2
5.	Campoi - - -	2	1	58.	Ditto - - -	5	6
6.	Ditto - - -	2	–½	59.	Gunpowder - -	4	9
7.	Souchong { very ordinary quality, unfit for use.			60.	Ditto - - -	5	4
				61.	Ditto - - -	6	–
				62.	Hyson Skin - -	2	1
8.	Ditto - - -	2	–½	63.	Songlo - - -	2	3
9.	Ditto - - -	2	3	64.	Hyson - - -	3	8
10.	Pecco - - -	3	10	65.	Imperial - - -	4	8
11.	Ditto - - -	4	–	66.	Gunpowder - -	5	4
12.	Ditto - - -	5	6		Poudre à canon.		
13.	Hyson Skin - -	2	1	67.	Bohea - - -	1	11
14.	Ditto - - -	2	2½	68.	Kempoy - - -	3	1
15.	Ditto - - -	2	3	69.	Souchong - - -	2	3
16.	Twankay - - -	2	4	70.	Ditto - - -	3	10
17.	Ditto - - -	2	11	71.	Pecco - - -	4	2
18.	Ditto - - -	2	9	72.	Black flower tea - -	5	3
19.	Young Hyson - -	3	–	73.	Ditto - -	4	9
20.	Ditto - - -	3	11	74.	Black family tea - -	3	8
21.	Hyson - - -	3	10	75.	Ditto - -	2	1½
22.	Ditto - - -	4	2				
23.	Ditto - - -	5	–	76.	Green Tea { This description of Tea is not known to have been imported into this country for the purposes of trade.		
24.	Imperial - - -	4	10	77.	Ditto		
25.	Gunpowder - -	5	3				
26.	Ditto - - -	5	8				
27.	Bohea - - -	1	5½	78.	Hyson - - -	4	4
28.	Ditto - - -	1	5	79.	Ditto - - -	3	9
29.	Congo - - -	2	1½	80.	Ditto - - -	3	7
30.	Ditto - - -	2	1½	81.	Young Hyson - -	3	9
31.	Ditto - - -	2	2	82.	Ditto - - -	3	7
32.	Kampoo - - -	2	4	83.	Hyson Skin - -	2	8
33.	Ditto - - -	2	1	84.	Ditto - - -	2	1
34.	Ditto - - -	3	4	85.	Souchong - - -	2	2
35.	Souchong - - -	2	–½	86.	Ditto - - -	2	–
36.	Ditto - - -	2	3	87.	Ditto - - -	1	10
37.	Ditto - -	3	1	88.	Pouchong - - -	2	–
38.	Ditto - - -	4	2	89.	Ditto - - -	2	–
39.	Pekoe - - -	5	3	90.	Gunpowder - -	5	2
40.	Ditto - - -	5	2	91.	Ditto - - -	5	
41.	Songlo - -	3	–	92.	Tonkay Hyson - -	2	2
42.	Ditto - - -	2	2	93.	Souchong - - -	3	4
43.	Ditto - - -	2	5	94.	Ditto - - -	2	–½
44.	Tonkay - - -	2	1½	95.	Hyson Skin - -	2	3
45.	Ditto - - -	2	2	96.	Ditto - - -	2	2
46.	Ditto - - -	2	11	97.	Young Hyson - -	3	8
47.	Hyson Skin - -	2	1	98.	Tonkay Hyson - -	2	2
48.	Ditto - - -	2	1½	99.	Hyson - - -	3	8
49.	Ditto - - -	2	2	100.	Ditto - - -	3	9
50.	Hyson - - -	3	7	101.	Ditto - - -	3	8
51.	Ditto - - -	3	8	102.	Ditto - - -	3	9
52.	Ditto - - -	3	10	103.	Ditto - - -	3	9
53.	Young Hyson - -	3	7				

I.
TEA.
No. 8.

(No. 25.)—A STATEMENT showing the Cost per lb. of the SAMPLES of TEA received by the Commissioners for the Affairs of INDIA from His MAJESTY'S Consuls Abroad, and the Value affixed to the respective Samples by the London Tea Brokers.

The Wholesale Prices are adopted, exclusive of Government Duties; the Foreign weights are converted to English Avoirdupois; and the Foreign Monies reduced to sterling according to the intrinsic par of exchange, computed in silver at 5*s.* 2*d.* per oz. British standard. By Dr. Kelly.

	Consul's Number.	Number affixed at the India Board.	Cost Price Abroad reduced to Sterling.	Value affixed by the London Brokers.
HAMBURGH: 26 Samples.			*s.* *d.* *q.* *dec.*	*s.* *d.*
Bohea	1	1	– 7 ½ .54	1 4
Ditto	2	2	– 9 ½ .81	1 4 ½
Congo	3		1 – ½ .42	2 1 ½
Ditto	4	4	1 4 ¾ .30	2 6
Campoi	5	5	1 – ½ .42	2 1
Ditto	6	6	1 3 ¾ .08	2 –
Souchong	7	7	– 8 ¾ .76	No price; unfit for use.
Ditto	8	8	1 – – .54	2 – ½
Ditto	9	9	1 8 – .85	2 3
Pekoe	10	10	3 – ¾ .70	3 10
Ditto	11	11	4 7 ¾ .66	4 –
Ditto	12	12	5 11 ½ .96	5 6
Hyson Skin	13	13	– 7 ¼ .54	2 1
Ditto	14	14	– 11 ½ .42	2 2
Ditto	15	15	1 3 ¼ .19	2 3
Twankay	16	16	– 10 ½ .20	2 4
Ditto	17	17	1 3 ¾ .30	2 11
Ditto	18	18	1 4 ¾ .52	2 9
Young Hyson	19	19	1 – ½ .64	3 –
Ditto	20	20	1 10 – .60	3 11
Hyson	21	21	2 3 ½ .96	3 10
Ditto	22	22	2 7 ½ .60	4 2
Ditto	23	23	3 1 – .92	5 –
Imperial	24	24	2 11 – .48	4 10
Gunpowder	25	25	3 3 – .14	5 3
Ditto	26	26	3 8 ¼ .24	5 8
ROTTERDAM: 35 Samples.				
Bohea	1	27	– 9 ½ .55	1 5 ½
Ditto	2	28	– 11 ¼ .56	1 5
Congo	3	29	1 7 ¼ .11	2 1 ½
Ditto	4	30	1 9 ¾ .62	2 1 ½
Ditto	5	31	2 2 ¼ .15	2 2 ½
Kampoo	6	32	1 5 ½ .10	2 4
Ditto	7	33	1 8 – .61	2 1
Ditto	8	34	2 11 – .20	3 4
Souchong	9	35	1 7 ¼ .10	2 – ½
Ditto	10	36	2 7 ½ .10	2 3
Ditto	11	37	3 3 ¼ .72	3 8
Ditto	12	38	4 2 ¾ .29	4 2
Pekoe	13	39	6 6 ¾ .45	5 3
Ditto	14	40	7 – – .48	5 2
Singlo	15	41	1 7 ¼ .11	3 –
Ditto	16	42	1 8 – .61	2 2
Ditto	17	43	1 9 – .12	2 5

(*continued*)

I. TEA.

No. 8.

—	Consul's Number.	Number affixed at the India Board.	Cost Price Abroad reduced to Sterling.	Value affixed by the London Brokers.
Rotterdam—*continued.*			*s. d. q. dec.*	*s. d.*
Tonkay - - -	18	44	1 5 ½ .10	2 1 ½
Ditto - - - -	19	45	1 7 ¼ .11	2 2
Ditto - - - -	20	46	1 9 – .12	2 11
Hyson Skin - - -	21	47	1 3 ¾ .04	2 1
Ditto - - - -	22	48	1 7 ¼ .11	2 1 ½
Ditto - - - -	23	49	1 10 ¾ .13	2 2
Hyson - - - -	24	50	2 9 ¼ .19	3 7
Ditto - - - -	25	51	3 1 ½ .71	3 8
Ditto - - - -	26	52	3 6 – .24	3 10
Young Hyson - -	27	53	2 2 ¼ .15	3 7
Ditto - - - -	28	54	2 9 ¼ .19	3 9
Ditto - - - -	29	55	3 2 ½ .22	4 1
Imperial - - -	30	56	3 7 ¾ .25	4 6
Ditto - - - -	31	57	4 2 ¾ .29	5 2
Ditto - - - -	32	58	5 1 ¼ .35	5 6
Gunpowder - - -	33	59	4 4 ½ .30	4 9
Ditto - - - -	34	60	4 11 ½ .34	5 4
Ditto - - - -	35	61	5 6 ¾ .38	6 –
FRANKFORT: 10 Samples.				
Hyson Skin - - -	1	62	1 3 ¼ .41	2 1
Singlo - - - -	2	63	1 8 ¼ .78	2 3
Hyson - - - -	3	64	2 11 ¾ .29	3 8
Imperial - - -	4	65	3 4 ¾ .76	4 8
Gunpowder - - -	5	66	5 1 ¼ .64	5 4
Bohea - - - -	6	67	1 4 ½ .05	1 11
Kempoy - - - -	7	68	2 11 ¾ .29	3 1
Souchong - - -	8	69	2 6 ½ .82	2 3
Ditto - - - -	9	70	3 10 – .23	3 10
Pekoe - - - -	10	71	5 1 ¼ .64	4 2
PETERSBURGH: 6 Samples.				
Black Flower Tea - -	1	72	11 11 – .28	5 3
Ditto - - -	2	73	7 3 ½ .15	4 9
Black Family Tea - -	3	74	5 10 – .37	3 8
Ditto - - -	4	75	3 – ½ .51	2 1 ½
Green ditto - - -	5	76	11 11 – .28	Not imported for sale in England.
	6	77	6 2 – .13	
NEW YORK: 14 Samples.				
Hyson - - - -	1	78	2 10 – .62	4 4
Ditto - - - -	2	79	2 3 ¼ .71	3 9
Ditto - - - -	3	80	2 – ¼ .29	3 7
Young Hyson - -	4	81	2 7 – .20	3 9
Ditto - - - -	5	82	1 11 ¼ .15	3 7
Hyson Skin - - -	6	83	1 7 ½ .65	2 8
Ditto - - - -	7	84	1 – ¾ .75	2 1
Souchong - - -	8	85	2 7 ½ .27	2 2
Ditto - - - -	9	86	1 10 ¼ .01	2 –
Ditto - - - -	10	87	1 2 ¼ .96	1 10
Pouchong - - -	11	88	1 10 ¼ .01	2 –
Ditto - - - -	12	89	1 4 ½ .24	2 –
Gunpowder - - -	13	90	3 4 ¼ .46	5 2
Ditto - - - -	14	91	2 9 – .48	5 –

I. TEA. No. 8.

—	Consul's Number.	Number affixed at the India Board.	Cost Price Abroad reduced to Sterling.	Value affixed by the London Brokers.
BOSTON: 12 Samples.			*s. d. q. dec.*	*s. d.*
Tonkay Hyson - -	1	92	– 11 ¼ .54	2 2
Souchong - - -	2	93	2 1 ¾ .50	3 4
Ditto - - - -	3	94	– 11 ¼ .54	2 –.½
Hyson Skin - - -	4	95	1 1 ¾ .90	2 3
Ditto - - - -	5	96	– 10 ¾ .47	2 2
Young Hyson - -	6	97	1 8 ½ .80	3 8
Tonkay ditto - -	7	98	1 2 ¼ .96	2 2
Hyson - - - -	8	99	2 4 ¼ .86	3 8
Ditto - - - -	9	100	2 – ½ .32	3 9
Ditto - - - -	10	101	1 8 ½ .80	3 8
Ditto - - - -	11	102	1 11 ¼ .15	3 9
Ditto - - - -	12	103	2 1 ¾ .05	3 9

June 10, 1830. *P. Kelly.*

—9.—

Copy of any CORRESPONDENCE between the Board of Commissioners for the Affairs of India and the Court of Directors of the East India Company, in the Year 1824, regarding a Memorial presented to the Lords Commissioners of His Majesty's Treasury from certain Tea Dealers of the City of *Edinburgh*.

No. 9.

To Joseph Dart, Esq., &c. &c. &c.

Sir, India Board, the 14th May 1824.

THE Commissioners for the Affairs of India having received from the Lords of the Committee of Council for Trade, the enclosed Memorial and Letter to the Lords Commissioners of the Treasury, respecting the importation and price of tea, have commanded me to transmit the same to you, in order to their being laid before the Court of Directors.

The Board will readily convey to the Lords of the Committee any observations which the Court may wish to make upon the statement contained in these representations.

I am, Sir, &c.
(signed) *T. P. Courtenay.*

Sir, East India House, 21st August 1824.

THE Court of Directors of the East India Company, having had under their consideration the Memorial and Letter to the Lords Commissioners of His Majesty's Treasury, which accompanied your letter of the 14th May last, respecting the importation and price of tea, I am commanded to transmit the accompanying Paper of observations upon the subject, and to request, in reference to the latter paragraph of your letter above mentioned, that the same may be laid before the Board of Commissioners for the Affairs of India, with a view to its being presented to the Lords of the Treasury as the answer of the Court to the said Memorial.

I have the honour, &c.
To T. P. Courtenay, Esq. (signed) *J. Dart*, Secretary.

21st August 1824.

I.
TEA.

No. 9.

Approved in Court, 18th August 1824.

OBSERVATIONS on a MEMORIAL which has been been presented to the Right honourable the Lords Commissioners of His Majesty's Treasury, from certain Tea Dealers of the City of Edinburgh.

THE Memorial to the Right honourable the Lords Commissioners of the Treasury from Mr. William Thorburn, and sundry other dealers in tea, resident in the City of Edinburgh, respecting the quantities and prices of teas at the Company's periodical sales, as well as an address to their Lordships on the same subject by Mr. William Thorburn individually, having been transferred from the Treasury to the Lords of the Committee of Council for the Affairs of Trade, and having been transmitted by the latter Board for the consideration and remarks of the Court of Directors of the East India Company, the Court have taken the subject into due consideration, and submit their observations accordingly.

The allegations of the memorialists may be reduced into the following heads:

First. That the aggregate supply of tea of all descriptions at the Company's quarterly sales has been, during some years past, inadequate to the total demand of the home market.

Second. That if there be a material fall of price on any species of tea, the quantity of that species is systematically reduced at the succeeding quarterly sale.

Third. That from this cause, and the inadequacy of the general supply, teas, even of the worst quality, sell at a considerable advance on the price at which they are put up.

Fourth. That the Company's sales have lately been particularly deficient in the finer assortments of tea, especially in Souchong and Hyson.

Fifth. That as a necessary consequence of the inadequate supply, the prices of teas in Britain have been much greater than on the Continent of Europe.

Sixth. That as a further necessary consequence, the deficiency of tea for British consumption must be suppled either by smuggling or by fraudulent imitation.

The Court will offer their observations under the above heads respectively.

The first allegation is, that "the aggregate supply of tea of all descriptions at the Company's quarterly sales, has been, during some years past, inadequate to the aggregate demand of the home market."

The object of the Court in issuing their orders for the annual supplies of tea, has always been to obtain a quantity fully adequate to the demand of the home market; but at the same time to ensure the fit and proper quality of the entire quantity obtained.

The English East India Company, as a necessary result of the combined operation of their large capital, their unlimited credit, their extensive dealings, and the entire confidence reposed in them by the merchants of China, have the inspection and first choice of all the teas which are annually imported from the tea provinces into Canton. A full supply, in point of the aggregate quantity of all qualities indiscriminately, is therefore always at the command of the Company, so long as the demand of the home market does not exceed the total supply of the market of Canton.

On the passing of the Commutation Act, the great increase in the annual demand for teas, consequent on the great reduction of duty, necessarily augmented the difficulty of selection. The Court, in order to exclude very inferior teas, deemed it expedient on that occasion to send out a gentleman, who had long been an eminent broker in London, to assist their regular servants at Canton in the selection of teas; and the same professional assistance has been continued to the present time.

The different classes of teas are submitted to several careful examinations, previously to purchase, in China; and if, when finally examined at the period of their shipment, they are found superior to the character which has been attached to them, their price is raised; if they are found inferior, either they are rejected or their price is reduced; and such is the confidence of the Hong merchants in the correctness of the Company's valuation, that the equity of the reductions is almost invariably acknowledged and acquiesced in. Every chest of tea is again submitted to a careful examination on being exposed to sale in London. The Company contribute to defray the expense of printing the remarks of the brokers on the results of the examinations. These remarks (which are regularly sent to China) go into details of great nicety; and as the brokers are independent of the Company, acting entirely under the orders of the wholesale tea dealers, it is reasonable to conclude that if the teas had not merited a good report, they would not have obtained it as they constantly have done.

This course of practice has proved successful in excluding inferior teas from the Company's purchases in China.

The recommendation of the memorialists, that the East India Company shall be immediately required to increase very largely the quantities of teas exposed at their quarterly sales, evidently proceeds on the assumption that the supply of tea in the Canton market is unlimited, so far at least as any conceivable demand of the British market is concerned. The whole of the arguments adduced in the Memorial must have their basis on this assumption. It is therefore necessary to show that this assumption is altogether at variance with the actual state of the supply at Canton.

Formerly the East India Company never experienced any difficulty in obtaining whatever quantity of teas they required, and at lower prices than at the present time. Consequently, as the memorialists notice, "the Company for some time kept the market so fully supplied, that the middling quality sold at only 1 *d.* to 2 *d.* advance on the price at which it was put up, while inferior parcels were refused by the trade." But of late years the state of

of the tea market in Canton has greatly changed; the supply has fallen short of the general demand, insomuch that the East India Company were unable in the year 1821–22 to procure cargoes of approved teas for all their ships, and two of them, the General Harris and Marquis Camden, competent to carry upwards of three millions of pounds weight, were detained without any profitable employment, at a great expense for demurrage; and in 1822–3 the Americans could not obtain teas of any kind for several of their ships, of which two at least returned to New York with little or no cargo on board, and several others remained until new teas came down from the interior. These circumstances in the trade of the Americans may be partly attributable to the destruction of ten thousand chests of their tea in the calamitous fire of November 1822, but ten thousand chests of tea would have been little more than half a cargo for either of the East India Company's ships, which, without any calamitous or extraordinary occurrence, had been detained for want of cargoes in the preceding season, and from no other assignable cause than that the total supply of tea in those years was unequal to the general demand.

It is believed that the Company's trade embraces at least three-fourths of the total quantity of tea brought to Canton; their sales now amount to twenty-eight millions of pounds weight per annum. The Americans export from Canton about six millions of pounds weight per annum, for their own consumption, and for sale in Europe. A quantity not amounting to a million of pounds weight per annum is exported from Canton in the private trade to India, where the habit of drinking tea has been introduced by the British residents.

A statement of the quantities of tea which have been imported into London, and sold by the East India Company, or refused at their sales; and a statement of the exports of tea from Canton by the Americans, for the last three years, and in the private trade to India, for the last two years, will be found in the Appendix.

Appendix (A.)
Appendix (B.)

Whether it may be expedient for the East India Company to receive teas of a lower standard than their present system allows, requires grave consideration. To supply the public with cheaper teas, to increase the quantity of their imports from Canton, they must of necessity relax somewhat in their scale of quality; but a change of this nature should not be adopted without great circumspection: the high character of the teas sold at the Company's sales, and the public confidence therein, should not be lightly put to hazard.

If there be no natural causes which limit the production of the better descriptions of tea, the increasing demand of the Company at Canton will necessarily produce an increasing supply, without lowering the standard of quality which they have so long deemed it essential to maintain, and to the strict maintenance of which the great consumption of tea in Britain may be in a great measure ascribable; the excess of the demand beyond the supply will be but temporary, and the prices in the home market will fall with the increased supply, which will be permanent when once obtained. If the standard of quality be lowered, the motives to increased production of the better descriptions will not exist in the same degree. If it should be imperative on the Company to import a given quantity of pounds weight annually, and if that quantity should be equal to the total supply of all qualities indiscriminately in the Canton market, the task of selection must be at an end; all that is offered must be taken; deterioration of the whole investment, rise of price at Canton on the deteriorated commodity, and loss of character to the Company's teas, might be anticipated as highly probable consequences; from which would naturally follow a diminution of consumption; that would again bring the supply to equal or exceed the demand. But results so prejudicial to this important branch of commerce, revenue and domestic economy, must be deprecated as much by the public as by the Company.

The second allegation is, "that if there be a material fall of price on any species of tea, the quantity of that species is systematically reduced at the succeeding quarterly sale."

This allegation would have some force if the aggregate quantity of tea were reduced at the same time with that of the particular species; the fact being otherwise, the allegation resolves itself into this: that the Company, in the distribution of their stock, substitute for a quantity of tea least in demand, a quantity of some other kind or kinds more in demand. If this operation tends to raise the price of the tea of which the quantity is diminished, it tends to lower the price of the tea of which the quantity is increased; if the quantity of the tea most in demand were increased without a proportional diminution of the quantity of tea least in demand, the Company would incur the danger of exceeding the total quantity with which they could permanently supply the public, or of trenching on the stock which they are bound to reserve; if the quantity of tea most in demand were not increased, the Company having the power to increase it, still more, if, under the same circumstances, it were diminished, the Company would be justly chargeable with a design of forcing up prices by inadequate supply. As it is, they supply the public demand to the full extent which the amount of their stock and their expectations from China authorize. To say, that while the same aggregate quantity is furnished, the proportions of the quarterly supplies shall not vary according to the variations of the proportionate demand, would be to say that the tea which stands lowest in public estimation should be systematically forced into the market, to the exclusion of that which stands highest, a proposition which the allegation implies, but which, when distinctly stated, carries with it its own refutation.

The third allegation is, "that from the causes assigned in the two preceding allegations, teas even of the worst quality sell at a considerable advance on the price at which they are put up." An instance is given in Bohea tea, which being put up at 1*s.* 6*d.* per pound, sells for 2*s.* 5*d.*

With respect to the price at which Bohea tea is put up, and the price which it produces, it is necessary to enter somewhat into detail, more especially as assertions have been extensively

I. TEA. No. 9.

sively circulated that 9*d.* per pound is a sufficient price for Bohea tea, and much reproach is cast upon the Company for selling it at higher prices.

The word "Bohea" was formerly the general term, in Britain, for all black teas; but it is now confined to the lowest species of black tea, to which it always properly belonged. The *common* Bohea is the refuse of the black teas, which, not being thought worthy of being packed in the tea country, is brought to Canton in baskets, there thrown into heaps, mixed with all the refuse of the tea warehouses, and packed at leisure. It was certainly the custom of the East India Company to import a portion of this kind of Bohea; but the dissatisfaction of the purchasers at its very inferior quality, caused the Company entirely to relinquish their dealings in it; and no *common* Bohea tea has been imported by them for the last 15 or 16 years. It was far from the intention of the Court of Directors to exclude cheap tea from the London market; they considered that if the quality of the lowest class of teas imported could be raised without diminishing the quantity, the poorer classes of society would be most benefited by the measure; and they gave orders for the substitution of an intermediate species, between *common* Bohea tea and Congo tea. Very considerable quantities of this secondary class of Congo teas have been received by the Company, and have been greatly approved by the public. Unfortunately, however, as it would now appear, the Company did not adopt a new term for this intermediate tea, but continued to call it Bohea, with merely a prefix of the word "Best;" and when the new article became sufficiently understood by the dealers, and established in public estimation, the word "best," which was adopted merely by way of distinction from the former "common" Bohea, fell into disuse. This new Bohea, (including freight, insurance and all other charges,) costs the Company 1*s.* 6*d.* per pound, at which price it is of course offered for sale; and if a bidding of one farthing be made, it is sold, the Company having reduced the scale of advance from the Act of Parliament limit of one penny to one farthing only upon such teas. But a price so much higher than 1*s.* 6¼*d.* per pound being given for the new Bohea, shows that the intention of the Court of Directors to raise the quality of the lowest class of teas, in a degree more than commensurate to the additional cost, has been fully answered. The new Bohea has, no doubt, found purchasers among classes of consumers by whom the common Bohea was rejected. The quantity destined for the poorest classes of consumers is thus, as it were, intercepted and diminished. The obvious remedy is an increase of the importation of this particular species of Bohea tea; an object which the Court have endeavoured, and are endeavouring to accomplish, by a liberal increase of price at Canton; but it must be a work of time. The Court of Directors could not anticipate that the Company would be reproached for having adopted a course of proceeding with a view to the public benefit, for which they were, on the contrary, entitled to expect unqualified commendation.

Appendix (C.)

The fourth allegation is, "That the Company's sales have lately been deficient in the finer assortments of tea, especially in Souchong."

This allegation is a branch of the first, and proceeds on the same assumption, that the Company can always obtain any quantity, of any description of tea, in the market of Canton. It will be seen by the annexed extracts from the Court's letters to China, and from the answers of the Company's servants there, that the Court's orders for Souchong tea have been particularly urgent, and that the Company's servants in China have used every exertion to execute them, without success. The supply of fine Souchong tea has fallen off very much in the Canton market, and not to the East India Company alone. The increasing consumption of fine Souchong tea in China itself, as noticed in the Papers annexed, may in part account for the inadequate supply for exportation; but the great personal influence and command of capital possessed by the Company's servants in China, have so signally failed in "the desired effect of producing a sufficient quantity of real good Souchong," as to induce them to express an apprehension, "that the cultivation or manufacture of this tea is lost."

Appendix (D.)
Appendix (E.)

With respect to fine Hyson tea, which, with the exception of Gunpowder, is the finest of all teas, the memorialists appear to be entirely in error. This is a matter of surprise to the Court, as the general body of the tea trade have, at all times, the fullest means of knowing the real state of the market. Fine Hyson tea, instead of being deficient, is superabundant in the Company's supply, and consequently sells at insufficient prices; for the dealers being enabled, by the fulness of the supply, to select the best parcels, leaving the residue in the hands of the Company, and the course of business with regard to refused teas of every description being to put them up at the next quarterly sale without any price at all, such teas are finally disposed of at a loss to the Company. A statement of the quantities of Hyson tea put up to sale, sold and refused, in the last three years, will be found in the Appendix.

Appendix (F.)

The fifth allegation is, that "as a necessary consequence of the inadequate supply, the prices of teas in Britain have been much greater than on the Continent of Europe."

The public Price Currents of the Continental and American markets undoubtedly show that teas of similar denominations with the Company's are sold there at much lower prices than at the India House in London, but fortunately for the Company this argument proves too much, for teas are apparently selling on the Continent of Europe and in America at lower prices than the East India Company pay for them in China; and it is a fact not to be controverted, that for quality the foreign European and American merchant at Canton pays as high prices for teas as the East India Company; the conclusion is irresistible, that in the real out-turn of the Company's teas, and of those of other nations respectively, the same names cannot designate the same qualities; though it would seem, that with the opponents of the Company the name is of all importance and the quality of none.

It

It must be admitted, that a foreign ship, proceeding directly from China to any port in Europe or America, may dispose of her teas, at immediate sale, on somewhat lower terms than can be afforded in London by the East India Company, who are required, by the 24th Geo. III, c. 38, to keep always in their warehouses a stock of tea at least equal to one year's consumption. The actual stock of unsold tea in the Company's warehouses on the first day of the present month (August 1824) exceeded 52,000,000 of pounds, which of course occasions a heavy expense for interest of capital, warehouse room, risk and management, in the aggregate not less than 200,000 *l.* sterling per annum. Appendix (G.)

The knowledge, on the part of the Chinese authorities, that so large a stock of tea is always kept in store by the East India Company in London, must have been of great importance during the late discussions, arising from the unfortunate affair at Lintin; and must, on all occasions, have given confidence to the Company's servants in their resistance to the insults and aggressions of the functionaries at Canton, which too frequently occur from very trifling causes. The sufficiency of the stock of tea in the Company's warehouses has also enabled the public at home to look with less apprehension to the effect of the various suspensions of trade which have take place at Canton.

The sixth allegation is, that "the deficiency of tea for British consumption must be supplied either by smuggling or by fraudulent imitation."

The smuggling of tea into these kingdoms is a subject on which the Court cannot speak with certainty; but so far as they can judge from the evidence within their reach, the practice is not carried on to any great extent. Fraudulent imitations have been detected, and constant vigilance is no doubt required on the part of the public officers to whom that duty belongs, to discover and repress them. But the good effect of the system pursued by the Company in the selection of teas, and of their high character as a mercantile body, is herein eminently manifested; the fraudulent imitator cannot avail himself of the pretence that he bought the tea at the India House; if such an assertion were made, the doubt whether or not it could be true would not be entertained for a moment. If the trade were open, the sale of fictitious teas would be greatly facilitated; for China itself affords abundance of fraudulent imitations of its own tea, which are constantly procurable at Canton.

The Court trust that they have satisfactorily answered the allegations of the Memorial, and that the public interests do not in any degree require interference with the Company in their management of the tea. The object of Parliament in confirming that trade exclusively to the East India Company, was not for the purpose of gratuitously conferring commercial profit upon them: the privilege necessarily carried with it the performance of important duties. The Court can confidently assert that these duties have been performed successfully and faithfully. Even during the whole course of the late war, the system on which the commerce with China was conducted, and the superior equipment and strength of the Company's ships, enabled the Court to supply the public fully and regularly with tea, under all the varying circumstances of that eventful period, and at prices not subject to fluctuation. Appendix (H.)

(signed) *J. Dart*, Secretary.

Postscript.—After the above Paper had been drawn up, the Court of Directors received a letter from the Select Committee of Supra-cargoes at Canton, dated 6th February 1824, from which an extract, bearing essentially on the question, and strongly confirming the main points of the preceding observations, will be found in the Appendix.

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(A).—ACCOUNT showing the gross quantity of Tea, including Private Trade, &c. annually imported, put up to Sale, &c. from 1784 to 1823 - - - - - - - - p. 65

(B).—Account of Tea exported from Canton by Americans, 1820-21 to 1822-23 - - p. 66

(C).—Extract Letters to Canton, dated 27 September 1815, Paragraph 9 to 11 - - ib.
Ditto - - ditto - - 5 April - 1816 — 112 & 113 - - ib.
Ditto - - ditto - - 8 May - - — 7 to 9 - - p. 67
Ditto - - ditto - - 2 April - 1817 — 27 to 31, 40 - ib.
Ditto - - ditto - - 8 April - 1818 — 25, 27, 29 to 31 - ib.
Ditto - - ditto - - 13 April - 1819 — 87, 92, 98 - - p. 68
Ditto - - ditto - - 12 April - 1820 — 73, 75 to 79 - ib.
Ditto - - ditto - - 11 April - 1821 — 61 to 63, 65, 70, 128 p. 69
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(D).—Extract

I. TEA. No. 9.

(D).—Extract Letter from Canton, dated 7 July - 1816, Paragraph 5 - - - p. 70
Ditto - - ditto - - 19 December – — 38 to 44 - - ib.
Ditto - - ditto - - 7 March 1817 — 5, 6, 8 - - p. 71
Ditto - - ditto - - 26 March – — 26 - - - ib.
Ditto - - ditto - - 31 October – — 7 - - - ib.
Ditto - - ditto - - 24 November – — 64, A. 65, 71, 72, 85 p. 72
Ditto - - ditto - - 8 December – — 8 to 13 - - ib.
Ditto - - ditto - - 20 March 1818 — 17, 18 - - - p. 73
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Ditto - - ditto - - 25 November – — 2 - - - p. 74
Ditto - - ditto - - 19 March 1819 — 23, 30 - - - ib.
Ditto - - ditto - - 19 November – — 65 - - - ib.
Ditto - - ditto - - 25 November – — 71 - - - ib.
Ditto - - ditto - - 10 December – — 8 - - - ib.
Ditto - - ditto - - 20 November 1820 — 87 to 90 - - p. 75
Ditto - - ditto - - 9 December – — 3 to 6 - - ib.
Ditto - - ditto - - 21 November 1821 — 65, 117 to 122 - ib.
Ditto - - ditto - - 10 April - 1822 — 61, 45 - - - p. 76
Ditto - - ditto - - 15 November – — 13, 15, 16 - - ib.
Ditto - - ditto - - 18 December – — 33 to 37, 42 - ib.
Ditto - - ditto - - 2 January 1823 — 2 - - - p. 77
Ditto - - ditto - - 20 November – — 11 - - - ib.
Ditto - - ditto - - 8 January 1824 — 18 - - - ib.
Ditto - - ditto - - 6 February – — 31 - - - ib.

(E).—An Account of the Quantities of Hyson Tea, including Private Trade, put up at each Sale, sold and refused in the Three last Years, 1821 to 1824 - - - - - p. 77

(F).—Extract Letter to Canton, dated 19 February 1802, Paragraph 29, 63 - - - ib.
Ditto - - ditto - - 23 November 1803 — 6 - - - p. 78
Ditto - - ditto - - 12 February 1806 — 73 - - - ib.
Ditto - - ditto - - 8 April - 1807 — 39 - - - ib.
Ditto - - ditto - - 5 January 1810 — 56, 72 - - ib.
Ditto - - ditto - - 18 April - – — 80, 82 - - ib.
Ditto - - ditto - - 29 August - – — 22 - - - ib.
Ditto - - ditto - - 2 January 1811 — 16 - - - p. 79
Ditto - - ditto - - 27 March – — 14 - - - ib.
Ditto - - ditto - - 23 December 1813 — 7 - - - ib.
Ditto - - ditto - - 1 April - 1814 — 128 - - - ib.
Ditto - - ditto - - 2 April - 1817 — 14 - - - ib.
Ditto - - ditto - - 8 December 1819 — 4 - - - ib.
Ditto - - ditto - - 12 April - 1820 — 57 - - - p. 80
Ditto - - ditto - - 11 April - 1821 — 34 - - - ib.
Ditto - - ditto - - 15 August – — 11, 12 - - - ib.
Ditto - - ditto - - 19 April - 1822 — 2 to 4, 70 - - ib.
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(G).—An Account of the Stock of Tea in the Warehouses, March Sale 1820, to June Sale 1824 - - - - - - - - - - - - - - p. 81

(H).—An Account of the Average Sale Price of each description of the East India Company's Teas, sold in each Year from 1793 to 1823 - - - - - - - - p. 82

APPENDIX to No. 9.

I.
TEA.
No. 9.

(A.)

AN ACCOUNT showing the Gross Quantity of TEA, including Private Trade, Prize, Neutral Property, &c. Annually Imported, Put up to Sale, Sold and Refused, in the following Years.

	IMPORTED.	PUT UP TO SALE.	SOLD.	REFUSED.
	Lbs.	*Lbs.*	*Lbs.*	*Lbs.*
In 1784 - -	9,916,760	10,843,501	10,148,257	695,244
1785 - -	17,496,884	15,706,960	14,967,493	739,467
1786 - -	23,841,683	16,715,816	15,931,188	784,628
1787 - -	20,610,919	17,168,794	16,180,686	988,108
1788 - -	22,462,703	16,608,651	14,973,958	1,634,693
1789 - -	20,141,745	18,838,483	16,707,612	2,130,871
1790 - -	17,991,032	18,582,027	16,693,670	1,888,357
1791 - -	22,369,620	18,660,857	17,268,227	1,392,630
1792 - -	13,158,078	21,716,285	18,137,108	3,579,177
1793 - -	16,005,414	19,832,492	17,373,687	2,458,805
1794 - -	23,946,784	20,812,181	19,112,043	1,700,138
1795 - -	23,733,810	21,705,771	21,307,609	398,162
1796 - -	6,110,379	22,250,609	20,577,894	1,672,715
1797 - -	16,524,652	19,614,635	18,780,031	834,604
1798 - -	45,385,583	22,991,996	22,813,271	178,725
1799 - -	15,347,041	24,958,967	24,070,340	888,627
1800 - -	15,836,785	24,384,594	23,378,816	1,005,778
1801 - -	22,898,107	25,608,063	24,470,646	1,137,417
1802 - -	28,324,880	25,854,590	25,144,171	710,419
1803 - -	31,580,111	26,363,233	25,401,468	961,765
1804 - -	25,996,008	23,585,652	23,087,267	498,385
1805 - -	28,741,584	25,504,298	24,926,560	577,738
1806 - -	22,304,883	24,182,631	22,887,530	1,295,101
1807 - -	28,074,861	24,338,129	24,077,824	260,305
1808 - -	19,606,076	26,188,515	25,901,451	287,064
1809 - -	21,640,089	22,161,791	21,920,052	241,739
1810 - -	19,497,371	25,042,121	24,958,255	83,866
1811 - -	21,565,423	23,193,700	23,058,496	135,204
1812 - -	27,959,945	24,857,594	24,856,914	680
1813 - -	29,668,291	25,895,738	25,895,005	733
1814 - -	26,563,525	29,597,120	29,597,055	65
1815 - -	25,405,931	28,008,418	27,787,230	221,188
1816 - -	33,314,035	24,133,168	23,408,195	724,973
1817 - -	30,537,652	25,489,618	25,428,188	61,430
1818 - -	21,440,196	27,436,475	27,370,956	65,519
1819 - -	22,325,450	26,237,020	26,235,021	1,999
1820 - -	30,113,421	26,118,254	26,111,451	6,803
1821 - -	28,580,592	27,653,840	27,638,081	15,759
1822 - -	27,325,063	27,894,490	27,880,565	13,925
1823 - -	29,025,325	28,033,266	27,753,550	279,716

(B.)

I. TEA. No. 9.

TEA exported from Canton by Americans.

	BLACK.		GREEN.		TOTAL.	
	Chests, &c.	Lbs. p' Estimate.	Chests, &c.	Lbs. p' Estimate.	Chests, &c.	Lbs. p' Estimate.
In 1820–21	39,605	2,500,000	62,310	3,500,000	101,915	6,000,000
1821–22	33,685	2,050,000	71,614	4,700,000	105,299	6,750,000 *
1822–23	31,325	1,740,000	60,827	4,000,000	92,152	5,740,000
In Private Trade to India:						
In 1821–22	- - -	144,000	- - -	840,000	- - -	984,000
1822–23	- - -	98,000	- - -	503,000	- - -	601,000

* Of which, consigned to Europe:

		Lbs.
Black - - - - - - - -	*Lbs.* 700,000	
Green - - - - - - - -	688,000	
		1,388,000
To America:		
Black - - - - - - - -	*Lbs.* 1,350,000	
Green - - - - - - - -	4,012,000	
		5,362,000
	Lbs.	6,750,000

(C.)

EXTRACT LETTERS to Canton respecting Souchong Tea.

Dated 27th September 1815.

* Letters to Canton.
2d Jan. 1811, par. 5, 42
27 Mar. — - - 30
24 Apr. — - - 9
29 Jan. 1812 - - 6
18 Dec. — - 15. 35
23 Dec. 1813 - - 14
1 April 1814 - 121
29 Mar. 1815 - 21, 22

9. By the advices mentioned in the margin* you will have perceived our anxiety that the Souchong tea imported on the Company's account should be of the first quality. We regret that you have not been able to fulfil our instructions on this point, as the importations of this tea of late years have fallen off very considerably in quality. The present want in the market of really good Souchong of the true appearance and flavour, compels us to repeat our injunctions, that you be exceedingly careful in the selection of teas of this description; but of course you will be careful that you do not pay a large price except for what is manifestly improved in the preparation. We do not restrict you to the quantity that can be procured, being really good Souchong tea.

10. We rely upon your exertions for restoring the character of this tea, and we trust that from the repeated orders on this head, we may anticipate success in carrying them into effect.

11. The quantity of Souchong at this time in warehouse unsold is only eighty-six thousand pounds, and we remind you, that in addition to the improvement in quality of this tea, it is equally desirable that the quantity of the article to be imported should be increased.

Dated 5th April 1816.

112. The present parcel of Souchong is certainly not above mediocrity, and many chops of the Campoi, of considerably lower price and inferior character, will, in our opinion, rank with the best parcels of the Souchong. The augmentation in the prices which you have made, although it has not altogether been attended with the success you had expected, was a measure well calculated for the encouragement of improved quality, and as such meets our approbation. Our anticipation of superior tea in Lap Sing has not been realized; neither in that nor the other parcels of this season have we been able to discover the real Souchong flavour; indeed, as we have above noticed, they are scarcely in their quality superior to some of the chops of Campoi.

113. We suspect the great increase made to the prices of the Campoi teas has operated to cause their cultivation to be more attended to than that of real Souchong. On their first appearance

appearance in the investment, we particularly laid stress upon their low price, as the principal argument for their approval. Succeeding years have increased the price full six tales per pecul, and with every increase of price in the Campois, we have noticed inferiority of quality in those parcels which come as Souchong. This observation, and our former experience, induce us to imagine, that so long as the Chinese can obtain 38 tales per pecul for that inferior Souchong, so long will the improvement of good Souchong be neglected. Your addition to the Souchongs of superior quality, by the purchase of the three parcels of *Tetsong*, as increasing the proportion of better teas, meets our approbation.

Dated 8th May 1816.

7. The great importance which attaches to a due supply of really good Souchong tea has been several times under our late consideration, particularly in our letter of 27th September 1815, paragraphs 9 to 11, and 5th April of the present year, paragraphs 112 and 113; and as your present paragraph announces not merely a continuation of the deficiency in the supply of good Souchong, but an aggravation of our disappointment, we have taken the earliest opportunity of again noticing the subject.

8. We recommend you to use every means in your power, short of giving an unreasonable advance in the price, for increasing the quantity of really good Souchong; and as it is very important that the quality of this species of tea should be fully maintained, it would have more fully accorded with our ideas, if you had not classed the nine chops of middling tea at forty tales as Souchong, but had invoiced them as Campoi, to which they more properly belong.

9. It is nevertheless proper that we should apprize you, that, in looking over the appreciation and classification of teas of last season, it appears that such teas as you have have bought at 40 tales, and classed as Souchong, were bought at 38 tales, and classed as Campoi. An increase of price has therefore been allowed in this particular.

Dated 2d April 1817.

27. We have noticed for several seasons past a falling off in quality of the Souchong; and upon a review of our sales for the last six or seven years, we observe with regret that Souchong tea of the quality of "Mid," and of "Good middling," has become scarcer and scarcer.

28. Since the importation of 1812 and 1813, no Souchong which, in our estimation, has reached the quality of "Good middling," has appeared. Under this impression it is with satisfaction we inform you, that "Lap Sing," which is always considered a prime chop, has by some of the brokers been charactered "Middling Souchong," though, from your Report, and the previous examination of the chop here, we had not anticipated so favourable a reception; and, indeed, we believe that the scarcity of good Souchong operated in its favour.

29. For your guidance in the purchase of Souchong tea, we refer you to our letter of the 8th of May last, paragraphs 7 and 9, of which we particularly desire your attentive consideration.

30. These teas, as was the case last season, have proved for the most part very satisfactory; and we have found but slight variation in point of quality between them and those invoiced Souchong; there are, however, some instances, even in those as high as 34 tales, in which there is an approach to coarseness, which ought to be avoided.

31. It may nevertheless be a question how far the encouragement afforded to the merchants for the extended production of this inferior description of what is in fact Souchong tea, by taking so large a quantity as 12,000 chests under the name of Campoi, at the rate of 34 and 36 tales per pecul, is likely to influence the cultivation of the real good Souchong tea; and whether there is not a probability, that had the selection for Campoi been more limited (by the exclusion of some of the inferior parcels) a portion of those teas would have found their way at reduced prices into the division of winter Souchong, invoiced Congo; we therefore desire that none below the quality of "But middling" tea be invoiced Campoi; all below that character should be invoiced Congo, and bought at prices accordingly.

40. These chops * have met a moderately favourable reception by the trade; and we shall have no objection to your purchasing a small quantity of similar teas at reasonable prices, of the most respectable merchants, as opportunities occur. You will not, however, extend your purchases of this kind of tea to any considerable amount, unless you shall receive distinct instructions from us to that purpose.

Dated 8th April 1818.

25. The quality of the Souchong teas have, on the whole, exceeded your expectations. Besides Lap Sing, the chop Chuun Eu proved good tea, being "Mid tea, little Souchong flavour."

27. We are so desirous of encouraging the production of Souchong of superior quality, that we cannot but approve this further endeavour to obtain so desirable an object; at the same time, we do not approve of appreciating the middling tea at 40 tales, as we have informed you in our letter of 8th May 1816.

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* Three chops of Songchi.

29. We

I. TEA. No. 9.

29. We approve of your making a marked distinction in favour of the Souchong of superior quality, and hope it will have the desired effect of producing a larger quantity of that description.

30. We rely on your attention not to suffer any of superior quality falling into other hands. We feel that we are entitled, from the magnitude and regularity of our demand, and the advantages you possess, to expect we shall have preference in all cases of this nature.

31. We approve your having made these purchases *, as they are a very good substitute for the plain Souchong. We suppose, by the quantity of this kind of tea which was imported last year in private trade, some of which was very good, that the produce of it has been increased of late.

Dated 13th April 1819.

87. We are concerned to find that you have again been disappointed in the produce of fine Souchong. You are aware that we approve the middling tea being reduced to its former appreciation of 38 tales. Both the Souchong and Campoi have proved, in point of quality, nearly the same as you gave us reason to expect.

92. From the scanty production of Souchong of late years, we see no reason to hope the quantity of tea, of such quality as we should approve of, being received and invoiced as Souchong or Campoi, will exceed what you estimate; but we should prefer a deficiency of quantity to deterioration of quality.

98. It is immaterial whether our object of procuring an ample quantity of Souchong of good quality be attained by previous contract, or by another mode of purchase, provided it be effected. We are, however, at a loss which mode to prefer, as we find, at different periods, both recommended by our Committee of Supra-cargoes; we must, therefore, be governed by the event.

Dated 12th April 1820.

73. It is with regret we observe that the quantity of Souchong tea continues to diminish, and without any improvement being discoverable in the quality. From the smallness of the quantity, each class of it has found an advantageous sale. Yuen Mee of Puankhequa, at thirty-eight tales, was the lowest of those invoiced Souchongs, owing principally to an odd smell.

75. The scale of appreciation of Souchong tea for winter purchases, and your engagements consequent thereon, are approved. In consideration of the small quantity of Souchong tea now produced, we do not disapprove your classing the chops of Good ordinary to "But middling quality" with the Campoi, instead of the Congo, provided there are no further indications of inferiority, such as "coarse and new," or "old and coarse," which was the case with those received last year. It was not intended to make any alteration in the quantity of either Souchong or Campoi to be sent, because we classed the latter with the Souchong, the source from which it is derived, instead of the Congo; but we are not desirous of making the quantity of Campoi appear larger than the quality will warrant, by invoicing teas of low quality under that head. The winter purchased Souchongs, invoiced Congo, received last year, will prove advantageous.

76. Although the quantity of tea invoiced as Souchong and Campoi has been less in the two last seasons than usual, we are not without hope that you may have a larger quantity offered you than 500,000 lbs. of a quality that may with justice be invoiced of one or other of those denominations, as previously to those seasons much larger quantities were sent as Campoi than in either of them. The chops that were of too low a quality to be included in either of those denominations, have answered very well as Congo, and we are therefore desirous that the purchase of such should not be relinquished. It will be satisfactory to you to learn that the chop Lap Sing proved of better quality than you gave us reason to anticipate.

77. We subjoin an account of the quantity received, exclusive of private trade, under each head, in each of the last nine years:

	Invoiced SOUCHONG.	Invoiced CAMPOI.	Invoiced CONGO.	TOTAL.
1811	370,000	528,000	868,000	1,766,000
1812	506,000	864,000	1,934,000	3,304,000
1813	142,000	1,232,000	397,000	1,771,000
1814	320,000	817,000	615,000	1,752,000
1815	102,000	827,000	1,182,000	2,111,000
1816	197,000	966,000	780,000	1,943,000
1817	386,000	702,000	689,000	1,777,000
1818	246,000	83,000	- - -	329,000
1819	183,000	547,000	151,000	881,000

* Of three chops of Sonchi.

78. The chop of Sonchi did not turn out mixed, as you gave us reason to expect, but on the contrary, it was superior to the preceding seasons; and we regret that you discouraged the merchant from preparing it in future.

79. In the season to which we referred in our letter of the 8th April 1818, there were 9,000 packages of good Caper tea in private trade, containing 262,000 lbs., that so nearly resembled the Sonchi, which the inspector at Canton denominated Caper, that it certainly interfered with the sale of it.

Dated 11th April 1821.

61. We very much regret that the supply of good Souchong tea still continues so inadequate to the demand, and notwithstanding the encouragement you hold out to the merchants to produce an increased quantity, that it should be less last year than in the preceding by 40,000 lbs., and which was less than that received in 1818 by 60,000 lbs.

62. Some Souchong tea, of fair good quality, found its way in private trade on the General Harris, and obtained 4/3 ½ to 4/5 ½ per lb., and some, which might with propriety have been invoiced Campoi, came on the Herefordshire, which obtained 3/7 to 10/.

63. With reference to the general quality of what has been received, none appears to reach that of full Souchong tea, the highest chop being "Good middling tea, Souchong flavour," while several chops are deficient in strength and flavour, which corresponds with the expectations you gave us reason to entertain respecting them.

65. You will observe, by a statement in a subsequent paragraph of this letter, that the chop Lap Sing of Poonequa has again proved, in the estimation of the dealers in England, to be the superior chop of the season, although deemed by you to be inferior to Wo Kee of Puankhequa by four tales per pecul. We think it would be but justice to Poonequa, and perhaps an incitement to future attention in the provision of this chop, if he were hereafter allowed for it an additional price or four tales per pecul, in order to place it upon an equal footing with Puankhequa's chop above mentioned, provided the quality continue to be satisfactory.

70. The chop of Sonchi tea proving to be of good quality, as formerly, is an advantageous purchase: it obtained at our sale in December last 4/2 ½ to 4/4 per pound.

128. We are also desirous that 800,000 lbs. of Campoi and Souchong should be annually shipped on the Company's account, and that the merchants should be called upon to enter into engagements to deliver that quantity.

Dated 19th April 1822.

19. The Souchong teas, including those invoiced Campoi, have been more highly appreciated than you anticipated; and we regret that the quantity is so small, and gradually decreasing in each successive season. The smallness of the quantity in proportion to the demand, is probably a reason why there exists such discrepancy between their character in China, and their estimation in England; one only of the four Souchong chops of the season being allowed in China to approach to the Souchong flavour, whilst the brokers in England attribute the same quality to the whole.

20. In our letter of the 11th April 1821, para. 128, we signified our desire that 800,000 pounds weight of Campoi and Souchong should be annually shipped on our account, and you will consider the instructions there given as a standing rule, unless we advise you to the contrary.

21. The chop Lap Sing maintains its place as the best Souchong of the season, but has rather declined in quality for the last three years; having been charactered by the brokers in 1819, as Mid Souchong; in 1820, as Good mid tea, Souchong flavour; and in 1821, as Good mid tea, little Souchong flavour. We are desirous of encouraging a supply of the true Souchong tea, and refer you to the observations upon this chop in our letter of the 11th April 1821, para. 65, for the principle upon which we wish you to act in your future purchases of all Souchong tea of a superior quality.

22. The Souchong teas purchased at 32 and 34 tales per pecul, and invoiced Campoi, form, in the present scarcity of fine Souchong, a valuable part of our investment; but we have to regret that the total quantity received of this class amounts only to 1,114 chests, and 924 chests of tea invoiced Souchong, making in the whole a total of only 2,035 chests.

23. We have just expressed our regret at the continued decrease of Souchong tea, and at your inability to secure a sufficient quantity. The loss to our investment of Puiqua's chop Man You, we consider as very important; for in three successive years it has borne a high character in England; viz.

In 1818, Middling tea, Souchong flavour;
In 1819, Mid and good mid, rather fresh, little Souchong flavour;
In 1820, Mid, rather fresh, little Souchong flavour.

In the present scarcity of Souchong, such tea must not be suffered to fall into other hands, if it can possibly be prevented by any means short of giving too exorbitant a price for it.

24. That no improvement has taken place in the general quality of Souchong tea is very certain. The apparent cause of the approbation given to the last importation by the brokers here, has been noticed in a preceding paragraph. We have great satisfaction however in remarking, that the very objectionable odd smell, partaking of the odour of apples, has not been noticed by the brokers in the Souchong and Campoi teas of the last two seasons.

I. TEA. No. 9.

29. The chop of Sonchi Tung Yuen, supplied by the relatives of Coqua, maintains its former character, but the sale of it has been much interfered with by the unusually large quantity of a similar quantity of tea imported last year in private trade. We trust that you will continue this chop in our investment, notwithstanding the decease of Coqua.

Dated 8th April 1823.

36. The continued deficiency of good Souchong teas is much to be regretted; you will perceive that the small quantity we have had to offer to the dealers has been well esteemed by them; and they have perhaps valued the article at a price higher than it really merited, merely on account of its scarcity, for they allow to both the chops purchased at 38 tales, as well as to several chops of Campoi, the characters of Souchong flavour, the existence of which quality in these teas is to us rather doubtful.

37. We consider your purchases of Campoi to be very useful.

41. It is so desirable to have an ample supply of good tea of the Souchong kind, that if 800,000 lbs. cannot be obtained, we still desire you will endeavour to procure as much of this species of good quality as possible.

42. You will not diminish your purchases, even should the quantities of tea in private trade, under the denomination of Campoi, Souchong and Pekoe, exceed, in future seasons, the total quantity required by our estimate, as a great proportion of such tea, by whatever name it may be invoiced, is of a very inferior quality, and will not come into competition with the good sound tea of the Souchong kind, which it is our object to import.

43. The absence of several fine chops which formerly constituted a part of our annual importations of Souchong, is a great drawback on the credit of our sales, and we could wish that some of those we formerly received were restored, or some equally good substituted; but so long as the natives will give the prices you mention for their own use, we cannot expect much addition to the quantitity of real Souchong which we have received of late.

44. The chop of Sonchi received this season is evidently inferior to the former importations, and the reduction from 42 to 32 tales, which it has experienced, will, it is hoped, make the manufacturer more careful hereafter in his selection; at the same time it may be feared that reducing the prices with severity may have the effect of depriving our investment of some of the best teas.

(D.)

EXTRACT LETTERS from Canton respecting Souchong Tea.

Dated 7th July 1816.

5. YOUR Honourable Court may rely on our constant exertions and endeavours to restore the quality of the Souchong tea, and that the instructions now received, as well as that as to quantity, will be strictly attended to. We hope that it may be in our power to report more favourably on this species of teas to your Honourable Court at a more advanced period of the season, when they shall have come under examination.

Dated 19th December 1816.

38. With the exception of the chop Lap Sing, the Souchong of this season may be said to have failed. The augmentation in price does not appear to have produced the desired effect in the manufacture of good Souchongs; only two chops of middling Souchong were offered to us, and we were compelled to reduce one of these at the weighing.

39. In order to prevent the disappointment that might be experienced if Souchong did not form part of our investment, we continue to include the character of middling tea in our Souchongs; and although many parcels have been reduced at the time of receiving them to Campoi price, we did not deem it necessary to alter the marks.

40. We have made some alteration in the appreciation of these teas, in the view of affording encouragement to the manufacture of chops equal in flavour to Lap Sing, by a rise in the price of that chop, and a reduction in the second class of "But middling Souchong." Our appreciation therefore stands as follows:

But middling to middling Souchong	at 47 tales.
But middling Souchong	at 44 —
Middling tea, Souchong flavour	at 42 —
Middling tea	at 40 —

And the following purchases were concluded:

1	chop	210 chests	at 47 tales.
2	—	428 —	at 44 —
7	—	1,429 —	at 42 —
11	—	2,658 —	at 40 —
21		4,725	

41. The inferior Souchongs we consented to receive as Campois at the price of the preceding season:

But middling to middling tea - - - - - -	at 36 tales.
But middling tea - - - - - - - -	at 34 –

And the following is the extent of these purchases:

15 chops - - -	3,113 chests - - -	at 36 tales.
26 – - - -	5,414 – - - -	at 34 –

42. We are fearful your Honourable Court will not find the Souchongs of the present season a better parcel; we do not fail to impress on the merchants the necessity of supplying us with some chops of "real Souchong flavour;" and in the present season we have made that difference between Lap Sing and the succeeding character, which we hope may have the effect of stimulating the senior merchants; and at the same time we have severely shown our disapprobation of inattention, by the reduction of four tales in every chop that has been reported "dusty."

43. We are unable to account for the entire disappearance of real Souchong; but have no reason to believe that it proceeds from the terms on which we have purchased the Campois. In the present year the demand of foreigners appeared so certain, that the depreciation in quality of all the teas may in a great measure be accounted for; and this expectation has been realized by large shipments in American vessels to Holland. We can only express a hope that when the trade, which for many years has fluctuated greatly, shall be restored to its regular channel, the complaints of quality may cease.

44. Being satisfied with the quality of three parcels of Sonchi tendered to us, we accepted them on the terms of the preceding season, and trust this purchase will prove satisfactory to your Honourable Court:

1 chop - - -	280 chests - - -	at 42 tales.
1 – - - -	120 – - - -	at 40 –
1 – - - -	300 – - - -	at 38 –

Dated 7th March 1817.

5. It is with much regret that we have reported to your Honourable Court a deficiency of really good Souchong in the present season, and we are totally at a loss to account for its total disappearance. We have endeavoured, by every means in our power, to impress on the merchants the necessity of greater attention in the manufacture of this tea; and the marked difference which we have shown in the appreciation of the Chop Lap Sing, and reduction of the class of "But mid^{s} Souch^{g}," we hope will have a beneficial effect.

6. We had in our contemplation invoicing the character of "But mid^{s} tea" as Campoi; but we were fearful inconvenience might arise from the very small quantity of Souchongs that would appear in the investment; and under this impression we refrained from altering the marks of those parcels, which were reported inferior at the weighings, but originally purchased as Souchongs. We shall use our utmost endeavours, when contracting for this species of tea in the ensuing year, to restore the quality and former appreciations of Mid^{s} Tea.

8. In rejecting the Souchongs offered as winter teas, we impressed on the merchants that their very inferior quality was the principal reason for this measure. Had our necessities required this supply we could not have made a larger selection from 20,000 chests tendered to us than about 8,000, and these greatly objectionable, from dust: we determined therefore on a general rejection, in the hope that such a measure might prevent so large a supply of inferior Souchongs.

Dated 26th March 1817.

26. We are unable to devise any means which shall insure a supply of good Souchong. We have not failed, however, to impress the necessity of this branch of our investment on the minds of the senior merchants, who have promised to use their endeavours.

Dated 31st October 1817.

7. In the Souchongs, we regret to find our endeavours to restore the quality of this tea have proved more than usually unsuccessful, no chop bearing a higher character than "Mid^{s} Tea, Souch^{g} flav." It is our intention to insist on a reduction of price in the character of Mid^{s} Tea to 38 tales; and the extent of our investment of Souchong, including the latter character, appears about 3,600 chests; and the proportion invoiced Campoi will not exceed 724 chests.

Dated 24th November 1817.

I. TEA. No. 9.

64. A. It is impossible for us to account to your Honourable Court for the gradual, and in the present season, entire disappearance of the superior Souchongs. When we shall have the honour to state our purchases, it will appear that we have been unable to procure a higher character than "Mid^{g} Tea, Souch^{g} flavour;" and that Lap Sing itself, though under this denomination, is not the superior parcel of the year. As all endeavours for improvement by an advance of price have failed, we have adopted the contrary line of conduct; and, as before stated, we hope, by compelling the tea men to diminish the quantity, and to relinquish the manufacture of the inferior Campois, that some few parcels may be restored to their former standard.

65. It is already known to your Honourable Court, that in framing the contracts for the present season we warned the merchants that we should not receive the class of 34 tales or "But mid Tea." Our examinations proving extremely unsatisfactory, we determined upon the rejection of "But mid^{g} to Mid^{g} Tea," with the exception of four chops, bearing the character of "strong;" and should these measures not have the desired effect of producing a sufficient supply of real good Souchong, it is to be apprehended that the cultivation or manufacture of this tea is lost.

71. We can assure your Honourable Court it is by no means our intention to extend the purchase of these teas (three chops of Sonchi), but we should consider a few chops of real good quality must prove advantageous in our investment. In the present season we have been greatly disappointed in the quality of those parcels which your Honourable Court have approved: of three chops accepted by us we have only shipped one, provided under an engagement in our Secret Department, but for which we could not allow a higher price than 36 tales.

72. The two chops, Cho Hing and Eu Mow, were purchased at 38 tales, but rejected at the weighing. We conceive we may be compelled at the close of the season to receive these teas, having been especially provided for us; but at the reduced price which we shall deem it our duty to offer, we should hope they might prove satisfactory.

85. The nearly total exclusion of the Campois will exhibit a demand for Souchong; in our estimates for the ensuing season, that cannot be supplied by any exertions of the merchants; as we consider that in the best of seasons we can never procure, rejecting Campois below "But mid^{g} to Mid^{g} Tea," 8,000 chests, or 600,000 lbs.; and indeed your Honourable Court will have observed, that our general expectation has never been calculated above 500,000 lbs., and for the most part fallen short of that estimate.

Dated 8th December 1817.

8. It is with extreme regret that we report to your Honourable Court a greater deficiency of real Souchong than in the preceding season, and that there has not been procured one chop of higher denomination than "Mid^{g} Tea, Souch^{g} flav.;" even the chop Lap Sing cannot be classed higher.

9. As the object of the liberal and increased prices of latter years has not been answered, we have considered the present season a proper time for reducing the inferior denominations, and making a marked difference of four tales between "Mid^{g} Tea," and "Mid^{g} Tea, Souch^{g} flavour."

10. When forming our contracts, we expressed our intention of invoicing the class "Mid^{g} Tea" in our Campois; but had we carried this into effect, there would not have appeared more than 800 Souchongs in our investment.

11. The merchants are fully warned of our determination to reject all teas of the class of "But middling;" and, from the unsatisfactory production of the season, we also determined to refuse the "But mid^{g} to Mid^{g}," with the exception of three chops bearing the character of "strong," to which we allowed the former price of 36 tales.

12. We have experienced such frequent disappointment of late years in the manufacture of this article, as to give cause of apprehension for any improvement being effected. It is asserted by the merchants, that large sums were expended by them to carry our wishes into effect, more particularly by Chunqua, in whose teas, though not of sufficient good quality, we have been pleased to find some care has been taken, as far as keeping them free from dust; and we have subsequently added a chop of Campoi to this merchant's account, which proved deserving of the character "strong."

13. The following is the reduced appreciation of the Souchongs and Campois.

Souchong:

But Middling to Middling Souchong	at 47	Tales.
But Middling Souchong	at 44	—
Middling Tea, Souchong flavour	at 42	—
Middling Tea	at 38	—

Campoi:

But Middling to Middling - - - - - - at 34 —

And our purchases, which have all been shipped on the Waterloo and Winchelsea,

4	Chops	- - -	990	Chests	- - -	at 42	Tales.
11	—	- - -	2,573	—	- - -	at 38	—
15			3,563				
4	Chops	- - -	924	Chests	- - -	at 36	Tales.

Dated 20th March 1818.

17. Our disappointment in the parcel of Souchongs has been greater this year than in the preceding season; for it will appear that, including Campois under the former denomination, we have not been able to procure, of both species united, more than 333,000 lbs. weight. In consequence of the orders to class these two kinds of tea under the head of the former, we have deemed it advisable to extend the quantity of Souchong usually estimated as procurable, although we are far from confident of obtaining the amount of requisite quality.

18. The merchants have strongly recommended us to abstain from contracting for Souchong, alleging, in support of their advice, the benefit likely to arise from discouraging so extensive a manufacture as has latterly obtained; and also the advantages of causing many of the persons now engaged in this branch of the Tea Trade to exchange it for the cultivation of Congo. We have deemed it prudent to accede, except in the instance of the merchant Lap Sing, who merits every mark of favour from us; and we shall confine our arrangements for Souchong to mentioning in general terms, that the supply required will be the same as in the present season, viz. 6,300 chests.

Dated 15th November 1818.

16. It is with great regret we report to your Honourable Court, that the Souchongs of this season are inferior to those of the two preceding years. Out of 15,300 chests submitted to our inspection, the highest denomination is "Middling Tea, Souching flavour;" and only two chops have been manufactured of that quality.

17. We had hoped, in the present season, for a more favourable out-turn of these teas, and had contemplated the measure of throwing out the "Middling tea" from our Souchongs, to be invoiced as Campois; under present circumstances, however, we were unable to effect this, as, with that character classed as Souchongs, our investment will only consist of 2,000 chests.

18. We are glad to find that the Souchongs of last season exceeded your expectations; but your Honourable Court will be greatly disappointed to observe, that Lap Sing is not better than "Middling Tea, Souchong flavour," and perhaps not equal to Tien Hing, of Mowqua.

19. In the preceding, we reduced the character of "Middling Tea" to 38 tales, but did not consider any further reduction advisable in the present year; we have, however, warned the merchants of a resolution to reduce each of the characters accepted as Souchongs this season two tales, and should not this have the desired effect, we must despair of our meeting your Honourable Court's wishes of restoring the quality of Souchongs.

20. We are confident that no superior chops of this tea can fall into other hands; and your Honourable Court may rely on our attention to this point.

21. The same remark may be made on the Souchongs as on the Congos; the leaves, generally, were satisfactory, and, in most instances, the smell; but when drawn into water there was a great deficiency of strength.

Our appreciation remains as of last season,

Souchong:

But Middling to Middling Souchong - - - -	at 47	Tales.
But Middling Souchong - - - - - -	at 44	—
But Middling, Souchong flavour - - - -	at 42	—
Middling Tea - - - - - - - -	at 38	—

Campoi:

But middling to Middling Tea - - - - - at 34 —

22. We

I. TEA. No. 9.

22. We have only met with two chops of this tea (Sonchi) this season, one of which, consisting of 400 boxes, we had engaged for in the Secret Department. It was satisfactory, on examining the muster, to find this person * had succeeded in his endeavours to improve the quality of this tea, but we regretted to find, on weighing it, that it was much mixed; we did not, however, consider it necessary to reduce it in price, but have recommended this merchant to relinquish the manufacture of this tea.

23. We are not aware of the Sonchi having increased, and are inclined to believe, that more than 300 chests of real good quality could not be produced.

Dated 25th November 1818.

2. Engagements of Souchong.

Middling Tea, Souchong flavour	2 Chops	404 Chests	at 42 Tales.
Middling Tea	7 —	1,738 —	at 38 —
Ditto of Campoi:			
But Middling to Middling Tea	4 Chops	951 Chests	at 34 Tales.
	13	3,093	

Dated 19th March 1819.

23. In our last estimate, in consequence of the Campois being added to the head of Souchong, we increased the quantity supposed procurable, not from any expectation of procuring it of sufficient good quality, but it was calculated any deficiency might be met by the private trade. In the present estimate, the private trade being included, as directed by your Honourable Court, we have deemed the former quantity of 500,000 lbs, as much as can possibly be relied on.

30. It has been with great regret that we have noticed to your Honourable Court our ill success in procuring Souchong; and that, in the present season, we have failed even in the chop Lap Sing, arising, in some measure, from the anxiety of Chunqua to meet our wishes; in the view of procuring one good parcel, he prevailed upon this merchant to manufacture a chop for him, and, from this extension of his business, he failed altogether; he has, however, promised to confine himself, the ensuing year, to his engagements with Poonequa. Should he require an advance, it will be allowed as an encouragement to preserve the character he has so long maintained. To the other merchants, we shall state generally, that our purchases in Souchong will depend entirely on their quality.

Dated 19th November 1819.

65. In making our report to your Honourable Court on the quantity of Souchong tea about to compose our investment of the season, we regret that we are not enabled to report in terms more favourable than those of last year. The present selection presents a description of tea deficient in that strength and smell on which its value so materially depends; and our repeated efforts to induce the merchants to provide teas of a quality corresponding with those of former years have proved totally unavailing. The following is a statement of the extent and valuation of our purchases:

1 Chop	268 Chests	at 42 Tales.
5 —	1,104 —	at 38 —
5 —	1,163 —	at 34 —

Dated 25th November 1819.

71. The total disappearance of real Souchong tea has been subject of equal regret to the Committee as to your Honourable Court: every plan has been adopted that has appeared at all likely to obtain the desirable end of procuring a tea so much sought after, but without success.

Dated 10th December 1819.

8. A chop of Sonchi, consisting of 418 chests, having been tendered to us by Coqua, at the rate of 42 tales per pecul, we have included it in our purchases of the present season, as its quality appears unobjectionable.

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* Coqua.

Dated 20th November 1820.

87. We regret to inform your Honourable Court that the description of tea forming this part of our investment, judging from the unusually small quantity submitted to our inspection, and their quality upon examination, appear to be the teas most affected by the unfavourableness of the season, being wholly deficient in strength, and that fulness of flavor which constitutes the excellence of Souchong tea.

I. TEA. No. 9.

88. The chop Lap Sing is the only one which approximated to that description of tea, but scarcely merits the character affixed to it, " Middling Tea, Souchong Flavor;" the other chops consist of tea that does not properly form any part of our regular investment.

89. The circumstances of the season will again oblige us to receive these Campoi teas at Souchong prices, even including the class of " But Middling Tea," which has rarely been received in the regular season. Including this latter class, the quantity will not amount to more than 1,600 chests. The number of chests sent in does not exceed 6,500, being about two-thirds less than the usual average.

90. In this defalcation of the Souchong teas, two chops of Sonchi tea, tendered by Conseequa, and the relatives of the deceased Coqua, will prove very acceptable purchases, particularly the chop Tong Yuen, belonging to the latter, it being of superior quality.

Dated 9th December 1820.

3. In our despatch of the 20th ultimo, we informed your Honourable Court that the unfavourableness of the season had materially affected our provision of Souchong tea, both as to quantity and quality, and that we should again be obliged to receive a certain proportion of Campoi tea at Souchong prices, even including the class of " But Middling Tea."

4. Since writing this despatch, we have concluded the following purchases:

Souchong:

Middling Tea, Souchong flavor,	1 Chop	210 Chests	at 42 Tales.
Middling Tea	3 —	706 —	at 38 —

Campoi:

But Middling to Middling	3 Chops	642 Chests	at 34 Tales.
But Middling Tea	4 —	788 —	at 32 —

5. Notwithstanding the high price of 32 tales at which we include the character of " But Middling Tea," Puiqua informed us, that the tea merchants refused to abide by our appreciation of the chop Man You, mentioning at the same time that he had no personal interest in the chop, and that, in withdrawing it, he only complied with the direction of the tea merchant.

6. We have also made the following purchases of Sonchi:

Good Middling	1 Chop	599 Chests	at 42 Tales.
Middling	1 —	—	at 38 —

Dated 21st November 1821.

65. We have heard the diffusion of wealth in the province of Canton assigned as a cause for the deficiency of real Souchong placed at our option, enabling the natives to afford much higher prices than we can offer. It is known that they readily give a tale a catty for superior black tea.

117. We have again reason to regret the deficiency in the quantity and inferiority in the quality of the Souchong teas.

118. The chop Lap Sing is the best of the season, but cannot be considered of real Souchong flavor; there are besides but three or four chops deserving the character of Souchong teas.

119. Of the class of " But Middling and Middling Tea," there are only 926 chests. The class of " But Middling Tea" consists of 3,600 chests, some of which scarcely deserve that character; but as it appears by the 62d paragraph of your Honorable Court's Instructions, that teas of similar or inferior quality, imported by the Herefordshire in season 1819, were deemed deserving of being classed as Campoi, the quality of this class has been extended to the above number.

120. It is to be regretted, that the urgent demand for Souchong and Campoi teas cannot be supplied without resorting to the expedient of receiving teas of this description at 32 tales as Campoi, and thereby tending to deteriorate the Congo teas.

121. In

I. TEA. No. 9.

121. In this scarcity of the superior descriptions of Souchong, the chop of Sonchi, which was furnished by the late Coqua, and which we now propose to receive from his family, will be a considerable acquisition, though it is doubtful, from the examination of the muster, whether it is made as well as in the preceding season.

122. The following is an abstract of our purchases of Souchong and Campoi.

Souchong:

1 Chop	-	200	Chests,	Middling Tea, Souchong flavor,	at 42 Tales.
3 –	-	811	–	Middling Tea - - -	at 38 –

Campoi:

4 –	-	926	–	But Middling to Middling -	at 34 –
16 –	-	3,601	–	But Middling Tea - -	at 32 –
		5,538			

Sonchi:

1 –	-	530	–	Good middling Sonchi - -	at 42 –

Dated 10th April 1822.

61. Lap Sing having engaged to furnish a chop of Souchong in addition to the one bearing his name, we propose making an advance to him of 6,000 dollars for this purpose.

45. We can hold out to your Honourable Court no expectation of obtaining Souchong and Campoi Tea to the extent of 800,000 lbs.

Dated 15th November 1822.

13. We are concerned to acquaint your Honourable Court that the Souchong Teas submitted to our examination are even fewer in number than in last season, and the quality more indifferent. We are unable to obtain from the merchants any explanation of the causes of this deficiency, in a season acknowledged by all to have been abundant.

15. We have been induced to receive a small parcel of 42 chests, as well on account of its intrinsic value, as to induce the maker of it (Man Hing) to furnish a chop of Souchong for the Company of the quality he was formerly accustomed to do. We have been induced, from the great deficiency, to offer to receive the teas of the character of "Good Ordinary to But Middling," at a valuation of 30 tales per pecul, and to include them under the head of Congo Campoi.

16. In the present scarcity of Souchong tea, we hope our purchases of Sonchi may prove advantageous.

Dated 18th December 1822.

33. We shall be guided by the instructions of your Honourable Court of 19th April 1821, as far as circumstances will admit.

34. The chop Lap Sing in the present season stands alone, though we do not consider it at all improved, and consequently not entitled to any favourable consideration. The small chop Man Hing, which we had anticipated from the muster chest to be of superior quality, proved, at the weighing, to be of various quality, and was withdrawn by the merchant himself.

35. Chunqua's chop Chuun Eu, of which we were glad to find only a part was burnt, is much inferior to last season, and only deserving of 34 tales; the manufacturer of this chop died soon after his arrival at Canton.

36. From the small quantity of Souchong and Campoi teas tendered to us, and the reduction of even that small quantity by the fire, we have been induced to accept for the present seasons some of those teas which are characterized "Good ordinary to But middling," at the price of 30 tales, which we trust will meet your Honourable Court's approbation.

37. The chop Man You has in the present season been improved in quality, and has been appreciated at 34 tales, as has also the chop He Hee; we trust this may induce the manufacturers to continue their chops of improved quality.

42. The chop Tong Yuen (Sonchi) forms the largest part of the investment of the present season; it is much better than last year, and equal to its former quality. A chop of superior quality has been offered to us, and accepted at 42 tales; and we have also been induced to take another chop of inferior quality at the price of 36 tales, there being scarcely any of this description of tea going home in private trade.

Dated 2d January 1823.

2. In the preceding season, from the small quantity of Souchong tea, we invoiced teas of the character of "But middling to Middling Tea" under that head. In the present season several chops of tea of the character of "But middling tea," received as Campois, proved at the weighings to deserve the character of "But middling to Middling tea," and have been invoiced Souchong.

I. TEA. No. 9.

Dated 20th November 1823.

11. We are concerned to acquaint your Honourable Court that the Souchong teas which have hitherto been submitted to our examination are a very indifferent parcel, and are deficient both in quantity and quality. The chop Lap Sing, however, maintains its usual superiority.

Dated 8th January 1824.

18. The Souchong teas in each succeeding year appear to decrease in quantity and quality, and in the present season are a very indifferent parcel.

Dated 6th February 1824.

31. No contracts appear binding in China beyond the will of the parties, for there is no doubt in many intances in the present season a portion of the contract Twankay chops were kept back by the tea merchant, and after being pounded and mixed with Wo Ping teas, sold to the Americans. The process might be witnessed at a place regularly appropriated for the purpose on the opposite side of the river. With a knowledge of these facts, the merchants were unable to prevent them.

(E.)

QUANTITIES of Hyson Tea (including Private Trade) put up at each Sale, Sold and Refused, in the Three last Years.

	Quantities Put up.	Quantities Sold.	Quantities Refused.
	Lbs.	*Lbs.*	*Lbs.*
1st March Sale, 1821	229,823	229,823	—
2nd - ditto	201,181	197,181	4,000
1st September Sale	369,996	369,821	175
2d - - ditto	251,952	248,892	3,060
1st March Sale, 1822	251,156	237,972	13,184
2d - - ditto	202,587	202,587	—
1st September Sale	197,770	197.689	81
2d - - ditto	202,737	202,510	227
1st March Sale, 1823	268,420	191,267	77,153
2d - - ditto	302,475	251,193	51,282
1st September Sale	308,094	281,669	26,425
2d - - ditto	297,317	172,836	124,481
1st March Sale, 1824	399,543	286,012	113,531

(F.)

LETTERS to China respecting low Black Teas.

Dated 19th February 1802.

29. YOU acted very judiciously in reducing the quantity of Bohea intended to have been sent on this fleet, as we were much in want of Congo, and have abundance of Bohea.

I. TEA. No. 9.

63. We are again compelled to remark, that a great proportion of the Bohea has been of a very low and inferior quality. You will see, on reference to the account of the comparison of the sale prices with the prime costs, that some of the Bohea has sold as high as 2 *s.* 6 *d.* per pound, while some would not fetch 1 *s.* 6 *d.*, none of that low and inferior sort should be taken.

Dated 23d November 1803.

6. We approve your determination of not adding to your purchases of Bohea. You will see by the account transmitted in our letter of the 4th instant, that we have still a very large stock of this article on hand, and that it therefore continues necessary to send no more by each ship than is sufficient for a flooring to the other teas, as directed in the 20th paragraph of our letter of the 17th December 1802.

Dated 12th February 1806.

73. Your declining to purchase teas of very low, mixed and adulterated quality will always meet our approbation. We are concerned to find the competition so great as to prevent your obtaining such a fair reduction in the prices as the flourishing state of our finances would otherwise have entitled you to have claimed.

Dated 8th April 1807.

39. The Bohea received last season is on the whole superior to what we have been accustomed to receive of late years, and therefore it is probable that some advantage has been obtained by your having entered into contract for it. The demand for Bohea continues to be but inconsiderable, which we apprehend may be partly attributed to the high duties, and, partly to the quantity of very low Congo interfering with its consumption.

Dated 5th January 1810.

56. You will of course invoice such Congo tea * under its proper denomination; and if no Bohea shall be shipped, we are not aware that any inconvenience will arise by the abolition of that species of tea from the investment.

72. It is not desirable that you should make winter purchases to the extent you have lately done, as they interfere with the contracts.

Dated 18th April 1810.

80. We shall, for the present, dismiss the subject of winter purchases with a general precautionary observation. The purchase of teas which remain in Canton after the ships are dispatched, and the business concluded for the season, has unquestionably been productive of considerable advantage to us, and if managed with prudence, and kept within due bounds, will, in all probability, continue to be beneficial; but we apprehend that an extension of the purchases of inferior teas to such an amount as to become a leading proportion of the whole year's investment, may, in the end, prove unwise policy, inasmuch as the general character of tea will suffer thereby, and the depression of price at our sales, or diminution of consumption, more than countervail the saving in the cost of winter purchases. At what number of chests of winter teas the line ought to be drawn, we are not prepared to say with the necessary degree of precision; the purchases of the year under consideration, viz. 50,000 chests, appear to be a considerable proportion of the whole; but some allowance must be made, on the other hand, for the diminution in the quantity of Bohea; and so far as we can judge from present appearances, the demand for Congos will not be checked by those purchases. See the 82d paragraph of our letter of the 11th January 1809. *We think that the winter purchases ought in no case to exceed two fifth parts* of the whole year's investment *of Congo and Campoi.*

82. Our letter of the 5th January contains sufficient instructions on this head †; to which we have nothing to add, further than to observe, that a very small quantity of the best of the common Bohea may be required, and sell to advantage: you will therefore be careful to fill with the best of the common Bohea such *long* quarter chests as may be required for the better stowage of the ships. Should it be intended to repack low Congo into Bohea chests, it will be advisable to shoot the Congo into bulk at Canton, so as to make the quality uniform before it be put into the Bohea packages: a want of attention to this point is visible in the teas of this kind sent by the Essex in March 1809.

Dated 29th August 1810.

22. We have signified to you, in the 55th paragraph of our letter of the 5th January, and the 82d paragraph of our letter of the 18th April of the present year (1810), that from the

* *i. e.* Inferior Congo Tea, packed in Bohea chests.

† Hong Merchants' engagements to deliver low Congo instead of common Bohea.

the little demand for Bohea tea, and the superior advantage which is derived to the Company by selling winter Congos rather than Bohea teas, no greater quantity of Bohea is to be sent us hereafter than can be packed in the oblong quarter chests for the convenience of filling up particular parts of the ships; and we should forthwith proceed to reduce our sales of Bohea to about 100,000 pounds at each of the quarterly sales, were it not that our large stock (much of which has been long on hand) requires that it should be disposed of more quickly than would be done under such a reduced arragement. We therefore particularly desire that you will consign to us as little Bohea tea in the ensuing three seasons as circumstances will permit, until our stock of that species shall be reduced within a proper limit, and on no account whatever to exceed our indent.

Dated 2d January 1811.

16. For the quantities of winter purchased teas, which you are not to exceed, we refer you to the 80th paragraph of our letter of the 18th April 1810. Although in respect to profit, winter purchased teas answer very well, yet we must desire you will on no account whatever receive any of the faint or Ankoi kind of any species, not even to be sent in Bohea packages; both those kinds of tea are universally disliked.

Dated 27th March 1811.

14. The teas in Bohea packages received last season of Conseequa and Ponqua differ from those received from the other merchants. The musters offered by the former appear by your inspectors' reports to have been "Middling tea, Congo kind;" but the teas delivered by them are "Middling Bohea, Ankoi kind, inferior to musters," and Ponquas were so described by your inspectors at the time of their receipt. Repeated directions have been given you on various occasions against sending any Ankoi teas, either Bohea or Congo, and we very much disapprove of your having sent these teas, knowing them to be of Ankoi flavour. From the 202d paragraph of your letter of the 26th February 1810, it may be supposed that the package and the price (that of common Bohea) were some inducements, and to these, upon the present occasion, may be added the situation of Ponqua's affairs; but so injurious are Ankoi teas to the quality and consumption of teas in general, that we direct that you suffer nothing whatever to induce to send them at any time on our account, and that you endeavour as much as possible to discourage them from being sent in private trade. By your consultation of the 29th November, it appears it was determined to allow Puiqua and Chunqua 16 tales for their Congo packed in Bohea chests, and 15 to all the other merchants, except those delivering common Bohea. These teas in question would have been entitled to the latter price, if they had been delivered of quality in conformity with their musters; but not being so, you have received them as common Bohea, at 14 tales, but without any especial notice of that circumstance.

Dated 23d December 1813.

7. We may remark, that although no common Bohea has been sold for more than six months, and consequently there is little or none in the market, yet there does not appear to be much call for it.

Dated 1st April 1814.

128. The Ankoi tea which you consigned to us in 1813, did not, it is true, excite the particular attention of the buyers, and certainly was in a great measure free from that nauseous "*Cashew*" flavor which pervaded the former parcels; but still it was very high-dried, and had a strong burnt taste. The very term *Ankoi* has acquired an unfavourable meaning, and conveys an idea of tea possessing an oily, burnt, unpleasant flavor. We therefore, without repeating our orders in the form of an absolute prohibition, recommend the subject to your particular consideration; our instructions certainly having been intended to operate more against the consignment of tea of the burnt Cashew flavor in general, than to forbid your purchasing tea from the Ankoi district, or from any other particular division of country. If good Congo can be procured from any part of the Chinese empire, we can have no objection to receive it.

Dated 2d April 1817.

14. We observe two chops of *very* ordinary tea among the winter Congo, and Congo invoiced below contract. It is our particular desire that no tea of any species, of a quality really as low as *very* ordinary, may be taken, even at winter prices.

Dated 8th December 1819.

4. You will find, by the result of our estimate, that if you have shipped in your season 1819–20, three million pounds Bohea, as you have given us reason to expect, and all the ships arrive safe, we shall be in possession of more Bohea than appears at present likely to

I. TEA. No. 9.

be required; but as you will no doubt have made some provision of this article for the ships in your season 1820–21, and as it appears to be advisable that the ships should not be without a flooring of Bohea, we direct that you ship in your season 1820–21, no more than is sufficient for that purpose.

Dated 12th April 1820.

57. The general quality of the Bohea has justified the encouragement you gave the merchants in the increase of price, and we approve your scale of appreciation.

58. You will find by our letter of 8th December 1819, we had intended to diminish our indents for Bohea; but from an improvement in the demand for this article having since taken place, we shall raise it again to the same quantity we calculated upon immediately before that letter was written.

Dated 11th April 1821.

34. The Bohea tea received last year has proved generally of good quality; and although the quantity exceeded our indent, the consumption has so much increased, as to have taken off the surplus. This increase of consumption is, in a great measure, to be attributed to improvement in quality.

Dated 15th August 1821.

11. We are desirous that the lading of the Scaleby Castle should be composed entirely of Bohea and Twankay, as our stock of those sorts will be all exhausted in June 1822. If a sufficient quantity of Bohea and Twankay, of fair quality, should not be procurable to load this ship, you will fill up the deficiency with the lowest priced Congo.

12. You will not, however, upon any account, revert to purchases of the large leaf coarse Bohea, of which our importations of former times principally consisted.

Dated 19th April 1822.

2. The Bohea teas have given general satisfaction to the dealers, and have been, and continue to be so much in demand, that our stock is insufficient to give an adequate supply in the ensuing June sale.

3. The prices you have given for the several parcels of Bohea appear reasonable.

4. We approve your having shipped the whole of the Bohea you had on hand in the season 1820–21, and desire that in future years the consignment rather exceed the estimate, if it can be procured without an increase in the cost price, until we shall have acquired a sufficient quantity, as we are desirous that this species should constitute a part of our surplus stock of tea, in preference to so large a quantity of contract Congo. You will, therefore, use your utmost endeavours to procure, as early as practicable, the whole quantity of this species of tea which appears to be required by the estimates transmitted in a subsequent part of this letter.

70. Our letter of the 15th August last will have prepared you to expect an increase in our demand for Bohea and Twankay; and you will, we trust, have already made some arrangements to meet our wishes. We hope you will eventually be able to accomplish the provision of the Bohea required, by encouraging the produce of the Woping districts, as this tea now appears to be much approved in England.

Dated 8th April 1823.

5. Considering the difficulties which you had to encounter in the provision of Bohea tea, we can only express our concern that this part of our investment could not be realized to a greater extent.

8. Poonequa's agent in the tea country having failed to furnish the quantity of up-country Bohea contracted for, has been productive of serious inconvenience, the effect of which will be felt for some time.

12. The Bohea supplied by Kinqua is much inferior to that of any other merchant received this season, and such as we should not wish to encourage if the China market afforded a full supply of Bohea tea; but under existing circumstances, we should prefer the purchasing of such tea to the alternative of sending so small a quantity of Bohea as is quite inadequate to the demand of those consumers who are in the habit of using tea of the low quality, and to whom perhaps it is as acceptable as the finest teas are to persons of a more delicate taste.

13. These observations are not made with a view to countenance the introduction of the old kind of common Bohea, which was formerly made up from the refuse of the market, and which included even damaged tea in the state of dust.

14. The

14. The quality of Kinqua's Bohea appears to be " But middling to Middling tea, mixt with flat, broken, coarse leaves and dust, flavor coarse, faint and odd." It has, however, met a ready sale, and at a price but little under the best of the season, in consequence of the small quantity of this species of tea which we are enabled to put up to sale.

15. Our advices, dated 15th August 1821, prepared you to expect an increased demand for Bohea; and the indent, dated the 19th April last, will have apprised you, that we consider 4,000,000 pounds per annum as the quantity proper to meet the demand for this species of tea.

16. Goqua has hitherto fulfilled his undertakings so satisfactorily, that we approve your engaging with him for all the Woping Ankoi and low Congo which can be procured, for the purpose of composing that description of tea called Bohea.

17. We observe with regret, that little or no reliance can be placed upon receiving any of the up-country Bohea in time for the Canton season 1822–23, and we consequently anticipate an importation considerably short of our wants.

20. If you shall continue to experience the difficulties which have of late years presented themselves in obtaining a sufficient supply of Bohea tea (always meaning by this term the new species, or " Congo kind of leaf," to the absolute exclusion of the old broad leaf at any price,) you have our permission to add one, two, or even three tales a pecul to the price, a due supply of Bohea being indispensable to the fit supply of the public here.

(G.)

AN ACCOUNT of the STOCK of TEA in the Warehouses, 1820-24.

	Company's and Private Trade unsold.	In the Buyers' Hands.	Total Stock in Warehouse.
	Lbs.	*Lbs.*	*Lbs.*
On the 1st March - 1820	26,232,440	1,665,017	27,897,457
1st June - —	34,362,742	2,106,023	36,468,765
1st September —	37,925,171	1,798,892	39,724,063
1st December —	36,152,511	1,684,638	37,837,149
1st March - 1821	29,505,684	1,550,113	31,055,797
1st June - —	40,577,866	1,511,232	42,089,098
1st September —	41,560,616	1,220,475	42,781,091
1st December —	38,858,220	1,520,681	40,388,901
1st March - 1822	31,750,980	1,711,200	33,462,180
1st June - —	35,290,025	1,567,398	36,857,423
1st September —	41,462,106	1,837,205	43,299,311
1st December —	37,368,551	1,866,289	39,234,840
1st March - 1823	30,552,605	1,719,716	32,272,321
1st June - —	50,372,347	1,466,766	51,839,113
1st September —	44,894,570	1,600,201	46,494,771
1st December —	37,979,252	1,721,856	39,701,108
1st March - 1824	32,618,955	1,626,685	34,245,640
1st June - —	51,271,610	2,239,039	53,510,649

I.
TEA.

No. 9.

(H.) - - - - - - - -

AN ACCOUNT of the Average Sale Price of each description of the East

—	Bohea.		Congo.		Campoi.		Souchong.		Pekoe.	
	s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*
1793 - -	1	6 9/10	2	10 3/10	3	2 5/10	3	9 8/10	4	6 2/10
1794 - -	1	7 4/	3	1 8/	3	4 7/	3	11 9/	4	8 9/
1795 - -	1	10 8/	3	1 9/	3	6 2/	3	6 5/	4	4 8/
1796 - -	1	7 7/	2	11 7/	3	2	3	11 8/	4	11 5/
1797 - -	1	9 4/	2	9 5/	3	-3/	3	4 7/	4	4 7/
1798 - -	2	3 6/	3	2 9/	3	5 1/	3	7 3/	4	11 1/
1799 - -	2	2 1/	3	1 8/	3	2 7/	3	4 9/	4	11 9/
1800 - -	1	8 9/	3	-5/	3	3 2/	3	3 7/	5	6 7/
1801 - -	1	10	3	2	3	4 1/	3	4 9/	-	- -
1802 - -	1	5 6/	3	1 1/	3	5	3	6 4/	-	- -
1803 - -	1	6 2/	2	10 4/	3	2	3	5 1/	5	10 2/10
1804 - -	1	9 7/	3	-3/	3	1 3/	3	4 6/	-	- -
1805 - -	1	8 8/	3	1 8/	3	3 9/	3	7 1/	-	- -
1806 - -	1	6 6/	3	2 9/	3	4 1/	3	8 4/	-	- -
1807 - -	1	8 3/	3	3 6/	3	5 4/	3	8 2/	-	- -
1808 - -	1	9 2/	3	3 3/	3	4 2/	3	7 9/	3	10 1/10
1809 - -	1	6 6/	3	3 3/	3	5 5/	3	9 9/	3	11 9/
1810 - -	1	8 6/	3	3 3/	3	6 1/	3	9 1/	4	1 7/
1811 - -	1	7 9/	3	2 3/	3	4 9/	4	1 7/	4	7 4/
1812 - -	2	3 3/	3	2 6/	3	3 3/	3	9 9/	5	1 6/
1813 - -	2	5 9/	3	2 4/	3	4 6/	3	9 8/	5	6 3/
1814 - -	3	1 2/	3	3 6/	3	6 6/	4	-5/	7	-1/
1815 - -	2	3 7/	2	11 8/	3	5 1/	4	-8/	7	1 3/
1816 - - -	2	4 3/	2	10 4/	3	2 4/	4	1 6/	-	- -
1817 - -	2	5 6/	2	11	3	2 8/	3	10 3/	4	11 9/
1818 - -	2	5 9/	3	-	3	3 6/	3	11 4/	4	6 9/
1819 - -	1	10	2	8 5/	3	4 7/	3	11 9/	4	8 6/
1820 - -	2	1 1/	2	7 1/	3	5 7/	4	1 8/	-	- -
1821 - -	2	4 7/	2	8 6/	3	5 5/	3	11 2/	-	- -
1822 - -	2	5 6/	2	8 1/	3	7 7/	4	-5/	-	- -
1823 - -	2	4 6/	2	7 6/	3	5 9/	4	1 7/	5	2 6/

Accountant General's Office,
East India House,
10th June 1824.

- - - - - - - - (H.)

I.
TEA.

No. 9.

India Company's TEAS, sold in each Year from 1793 to 1823.

Singlo.		Twankay.		Hyson Skin.		Superior Hyson Skin.		Hyson.		Gunpowder.	
s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
2	4 2/10	2	2 3/10	2	7 7/10	4	- 4/10	5	2 1/10	—	
2	3 8/10	2	5 4/	2	10 3/	4	6 2/	5	-1/	—	
2	6 6/	2	7 7/	3	-6/	-	- -	4	9 6/	—	
2	9	2	10 3/	3	-3/	4	3 1/	4	10 2/	—	
3	1 1/	3	1 3/	3	2 1/	4	5 6/	4	8 2/	—	
3	8 5/	3	7 7/	3	8 5/	4	7 4/	4	9 9/	—	
3	5	3	5 4/	3	6 9/	4	4 6/	4	4 6/	—	
3	5 6/	3	6 5/10	3	7 2/	-	- -	4	4 2/	—	
3	-5/	3	1 2/	3	1 6/	-	- -	4	4 3/	—	
3	1 2/10	3	2	3	4 2/	-	- -	4	9 1/	—	
3	- 4/10	3	-4/	3	2 5/	-	- -	4	6 1/	—	
3	-3/	3	2	3	3 7/	-	- -	4	6	—	
-	- -	3	5 1/	3	5 2/	-	- -	4	8 6/	—	
-	- -	3	7 1/	3	7 4/	-	- -	5	-4/	—	
3	5 7/	3	7 1/	3	6 9/	-	- -	4	11 1/	—	
3	5 2/	3	5 9/	3	6 2/	-	- -	4	10 7/	—	
3	5	3	6 9/	3	7 1/	-	- -	4	11 2/	—	
3	6	3	8 2/	3	8 6/	-	- -	5	-	—	
3	6 5/	3	7 5/	3	9 9/	-	- -	4	11 6/	—	
-	- -	3	6 3/	3	7 3/	-	- -	5	-1/	—	
-	- -	3	5	3	10 9/	-	- -	5	6 5/	—	
-	- -	3	7 1/	3	10 5/		- -	5	10 4/	—	
-	- -	3	4 7/	3	8 5/	-	- -	5	8	7	6 5/10
-	- -	2	11 8/	3	1 5/	-	- -	5	-	5	-9/
-	- -	3	-4/	3	1 8/	-	- -	4	10 2/	—	
-	- -	3	-4/	3	3 1/	-	- -	4	11 3/	—	
-	- -	2	10 5/	3	6	-	- -	5	1 6/	—	
-	- -	3	-4/	3	2 7/	-	- -	5	6 4/	—	
-	- -	3	1	3	-6/	-	- -	5	3 2/	—	
-	- -	3	3 8/	3	3	-	- -	4	7 6/	—	
-	- -	3	5	3	4 7/	-	- -	4	5 2/	—	

— 10. —

I. TEA. No. 10.

TOTAL AMOUNT of TEA DUTY collected by THE EAST INDIA COMPANY, and paid over to His Majesty's Government, from 1814/15 to 1829/30 inclusive.

	TEA DUTIES paid by The East India Company to His Majesty's Government.
	£.
1814/15	4,144,342
1815/16	3,537,846
1816/17	2,948,660
1817/18	3,165,611
1818/19	3,378,725
1819/20	3,119,846
1820/21	3,150,817
1821/22	3,350,504
1822/23	3,417,859
1823/24	3,428,466
1824/25	3,435,892
1825/26	3,552,358
1826/27	3,238,877
1827/28	3,185,028
1828/29	3,302,252
1829/30	3,217,333
£.	53,574,416

THE Tea Duties are collected by the East India Company, and paid over to the Crown, without any Charge whatsoever in respect of such collection. The Act 25th Geo. 3, c. 74, allows forty days after each quarterly sale, as the period within which the Duty is to be paid over; but the East India Company are in the practice of paying £. 500,000 of the Duties upon account, previously to their becoming payable according to law, and the Balance is immediately paid over so soon as the amount is adjusted between the Revenue Officers and the Officers of the East India Company.

Independently

I.
TEA.
No. 10.

Independently of the sums herein stated to be collected, as Duty upon Tea, by the East India Company, a large revenue, until the operation of the Act 9th Geo. IV. c. 44, was collected in Ireland; Tea, previously to that Act, being permitted to be exported thence free of Duty. The sums so collected are as follows; viz.

	AMOUNT OF DUTY collected upon TEA in Ireland, in each Year, from 1814 to 1828.
	£.
1814	531,843
1815	531,981
1816	409,471
1817	428,522
1818	510,391
1819	434,165
1820	399,017
1821	462,874
1822	511,347
1823	440,150
1824	445,296
1825	503,075
1826	446,240
1827	442,424
1828 Previously to the operation of the Act 9 Geo. 4, c. 44.	272,004
£.	6,768,800

(Errors excepted.)

East India House,
2d June 1830.

Thos. G. Lloyd,
Acc[t] Gen[l].

Appendix I.—TEA—No. 11.

11.—AN ACCOUNT of the several kinds of Goods as Assets in hand, unsold on the 1st May 1815, presented to the House of Commons, by command of His Majesty, in

	1. On 1st May 1815.		2. On 1st May 1816.		3. On 1st May 1817.	
	lbs.	£.	*lbs.*	£.	*lbs.*	£.
TEAS	15,908,555	2,390,000	17,185,003	2,543,665	27,135,223	3,967,965
China Raw Silk	-	116,750	-	244,720	-	213,400
Nankeens	-	-	-	52,096	-	22,658
Piece Goods (India)	-	1,711,810	-	1,259,800	-	1,529,846
Bengal Raw Silk	-	106,350	-	319,234	-	119,205
Indigo.	—	—	—	—	—	—
Cinnamon	-	72,238	-	113,300	-	166,965
Spices from the Moluccas (subsequently accounted for to His Majesty's Government)	-	501,789	-	529,862	—	—
Pepper	-	99,491	-	82,356	-	92,297
Saltpetre	-	24,671	-	17,271	-	101,861
Cotton Wool	-	-	-	-	-	-
Sugar	-	-	-	-	-	-
Coffee	-	30,555	-	36,157	-	33,990
Sundries	-	9,937	-	17,511	-	3,628
		£. 5,063,591		£. 5,215,972		£. 6,251,815

(*continued.*)

	9. On 1st May 1823.		10. On 1st May 1824.		11. On 1st May 1825.	
	lbs.	£.	*lbs.*	£.	*lbs.*	£.
TEAS	37,738,858	5,052,476	39,657,900	5,248,600	37,971,460	4,820,058
China Raw Silk	-	112,200	-	126,350	-	126,730
Nankeens	-	49,037	-	17,954	—	—
Piece Goods (India)	-	619,810	-	406,740	-	227,779
Bengal Raw Silk	-	435,618	-	780,599	-	513,855
Indigo	-	37,057	-	-	-	-
Cinnamon	-	94,924	-	150,000	-	55,364
Pepper	-	29,069	-	15,578	-	23,794
Saltpetre	-	286,364	-	159,390	-	157,402
Cotton Wool	-	181,168	-	33,321	-	-
Sugar	-	7,500	-	-	-	-
Coffee	-	-	-	-	-	14,183
Sundries	-	4,798	-	1,282	-	9,979
		£. 6,910,021		£. 6,939,814		£. 5,949,144

East India House,
4th May 1830.

and on every subsequent Year at the same date (as stated in Account No. 23 of the Papers February 1830;) stating the Quantity and Value of TEA at each of these Periods.

4. On 1st May 1818.		5. On 1st May 1819.		6. On 1st May 1820.		7. On 1st May 1821.		8. On 1st May 1822.	
lbs.	£.	*lbs.*	£.	*lbs.*	£.	*lbs.*	£.	*lbs.*	£.
32,943,966	5,026,219	26,680,949	3,736,483	24,445,046	3,151,710	25,690,056	3,334,373	31,624,597	4,290,176
- -	30,800	- -	12,100	- -	21,000	- -	56,525	- -	106,930
- -	24,429	- -	22,888	- -	7,189	- -	35,219	- -	68,415
- -	1,514,510	- -	1,407,356	- -	1,286,515	- -	1,088,963	- -	843,084
- -	- -	- -	55,500	- -	19,522	- -	108,675	- -	264,052
—	—	—	—	—	—	—	—	—	—
- -	142,440	- -	135,172	- -	154,201	- -	164,202	- -	164,534
—	—	—	—	—	—	—	—	—	—
- -	135,492	- -	165,287	- -	92,395	- -	69,365	- -	22,998
- -	144,892	- -	219,383	- -	227,316	- -	248,467	- -	360,465
- -	- -	- -	3,822	- -	63,730	- -	222,422	- -	233,428
- -	- -	- -	- -	- -	- -	- -	42	—	—
- -	28,418	- -	- -	- -	9,045	—	—	—	—
- -	10,965	- -	1,149	- -	2,800	- -	15,436	- -	10,176
	£. 7,058,165		£. 5,759,140		£. 5,035,423		£. 5,343,689		£. 6,364,258

12. On 1st May 1826.		13. On 1st May 1827.		14. On 1st May 1828.		15. On 1st May 1829.	
lbs.	£.	*lbs.*	£.	*lbs.*	£.	*lbs.*	£.
37,891,544	4,208,663	39,151,211	4,382,636	53,356,213	5,749,646	48,307,553	4,979,578
- -	1,745	—	—	—	—	—	—
—	—	—	—	—	—	—	—
- -	275,827	- -	167,039	- -	160,145	- -	212,766
- -	629,600	- -	369,894	- -	269,859	- -	272,745
- -	42,278	—	—	—	—	—	—
- -	6,185	—	—	—	—	—	—
- -	15,108	- -	32,746	- -	21,746	- -	25,702
- -	88,282	- -	37,038	- -	16,261	- -	12,445
- -	13,721	—	—	—	—	—	—
- -	3,562	- -	- -	- -	22,682	- -	79,089
- -	46,579	- -	43,286	- -	31,633	- -	15,634
- -	8,544	- -	5,968	- -	353	—	—
	£. 5,340,094		£. 5,038,607		£. 6,272,325		£. 5,597,959

(Errors excepted.)

Thos G. Lloyd,
Acct Genl.

I. TEA.

— 12. —

No. 12.

PROBABLE FREIGHT and DEMORAGE per lb. on TEAS to be imported in the Years 1830 to 1834; distinguishing BLACK from GREEN TEA.

Years.	BLACK.	GREEN.
	d. decs.	*d.* decs.
1830	3,32	4,15
1831	3,33	4,16
1832	2,98	3,72
1833	3,15	3,93
1834	2,57	3,21

East India House, 14 May, 1830.

W. Raincock.

No. 13.

13.—STATEMENT of the Actual Expenditure of THE EAST during the present

D^r

		Lbs.
TEA in Warehouse unsold on 1st May 1814; Invoice Quantity		20,351,969
Imported by the Company in each Year since 1st May 1814; the total Invoice Quantity, deducting the quantity Jettisoned on the Voyage to England:		
	Lbs.	
1814/15	24,727,393	
1815/16	35,671,389	
1816/17	23,282,540	
1817/18	30,465,252	
1818/19	20,296,092	
1819/20	23,193,285	
1820/21	26,605,685	
1821/22	32,856,997	
1822/23	32,478,272	
1823/24	28,700,957	
1824/25	25,851,696	
1825/26	28,500,834	
1826/27	29,777,879	
1827/28	42,972,858	
1828/29	24,059,373	
		429,440,502
	Lbs.	449,792,471

East India House, 19 May 1830.

I.
TEA.

INDIA COMPANY in their Trade, from WASTAGE and ALLOWANCE, Charter (upon TEA.)

No. 13.

Cr.

YEARS.	TEA sold at the Company's Sales. Sale Weight.	Recovered from the Hong Merchants in China, Country Damage and Plunder.	SHIP DAMAGE, also Short Delivery, adjusted with the Owners.	TOTAL CREDIT.
	Lbs.	*Lbs.*	*Lbs.*	*Lbs.*
1814/15 - -	27,934,051	96,316	93,501	28,123,868
1815/16 - -	24,412,278	78,280	36,172	24,526,730
1816/17 - -	21,856,254	51,877	149,905	22,058,036
1817/18 - -	23,961,461	42,921	118,951	24,123,333
1818/19 - -	26,237,959	47,508	37,141	26,322,608
1819/20 - -	24,815,234	54,717	100,223	24,970,174
1820/21 - -	24,636,611	70,203	59,743	24,766,557
1821/22 - -	26,012,233	80,677	97,905	26,190,815
1822/23 - -	25,659,836	54,356	42,201	25,756,393
1823/24 - -	26,089,877	49,364	20,809	26,160,050
1824/25 - -	26,853,786	52,170	16,752	26,922,708
1825/26 - -	27,900,206	55,148	17,751	27,973,105
1826/27 - -	27,771,547	65,263	47,634	27,884,444
1827/28 - -	27,795,418	55,324	78,849	27,929,591
1828/29 - -	28,598,522	54,191	36,980	28,689,693
Lbs.	390,535,273	908,315	954,517	392,398,105
STOCK unsold 1st May 1829; Invoice Quantity - - -				49,293,421
			Lbs.	441,691,526
EXPENDITURE from WASTAGE and ALLOWANCE - - -				8,100,945
			Lbs.	449,792,471

(Errors excepted.) *Thos G. Lloyd,*
Acco[t] Gen[l].

— 14. —

I. TEA.

No. 14.

QUANTITY of TEA in the Warehouses of the East India Company Unsold, the 14th June 1830.

	Lbs.
Bohea	3,287,862
Congou	18,547,658
Campoi	601,536
Souchong	144
Twankay	5,236,562
Hyson Skin	56,145
Hyson	440,016
Lbs.	28,169,923

Tea Warehouses, 18th June 1830.

Hen. H. Goodhall.

— 15. —

No. 15.

A RETURN of the Establishment of the Excise for the collecting the Revenue on the Imports of Tea in London; stating, in detail, the several Branches, and their Expense, in the Year 1829.

Number of Persons.	STATIONS.	Salary per Annum. £.	s.	d.	Amount of Salaries. £.	s.	d.
1	Inspector-Generral of inland duties on tea *	362	10	–	362	10	–
1	Assistant ditto	130	–	–	130	–	–
1	Register of tea sales	130	–	–	130	–	–
1	Surveyor-General (Reduced to 250 *l.* per annum on a vacancy.)	300	–	–	300	–	–
2	Surveyors each	137	10	–	275	–	–
33	Warehousekeepers each	117	15	–	3,885	15	–
	Two of the warehousekeepers have each an allowance of 82 *l.* 5*s.* per annum, to make their salaries equal to the amount they formerly received under the Board of Customs	–	–	–	164	10	–
39	Lockers each	85	–	–	3,315	–	–
8	Weighers each	85	–	–	680	–	–
2	Accomptants each	200	–	–	400	–	–
1	Comptroller	90	–	–	90	–	–
89		£.			9,732	15	–
	Incidental expenses of the establishment, including allowances to warehousekeepers and others employed on extra duty, coals and candles, taxes, &c.				1,199	10	4
	Total £.				10,932	5	4

Excise Office, London, 21st June 1830.

J. Ewbank, General Accountant.

* Ordered to be abolished on the next vacancy.

II.—FREIGHT.

— 1. —

STATEMENT of the manner in which the FREIGHT and CHARGES on SHIPS proceeding to CHINA *via Bengal, Madras* and *Bombay*, are apportioned on the Outward and Homeward Voyages.

THE OUTWARD CARGOES from *England*, whether of Goods or Stores, are charged with Freight as under; *viz.*

On Measurable Goods, at 40 feet to the ton, and On the Tonnage occupied by the Troops - - -	One-fifth of the rate of Freight per ton paid the Owners.
On Articles at 20 cwt. to the ton, excepting dead weight - - - - -	One-tenth of ditto.
On Dead Weight, Iron, Lead, &c. - - - -	One-twentieth of ditto.

The COMPANY'S CARGOES from *India* to *China*,—

Are charged with Freight at the rates at which Tonnage has been procurable on Country Ships from India to China, in each season respectively.

The COMPANY'S HOMEWARD CARGOES are charged as under; *viz.*

From the total Amount of Freight and Charges incurred, are deducted the Amounts of Freight, calculated on the principles before stated, on the Consignments from England, either for India or China, as well as on those from India to China, and on the Tonnage occupied by Troops; also any charge for Services of a political nature:—the remainder is then considered to attach to the Homeward Cargoes.

East India House,
10th March 1830.

W. Raincock.

—2.—

II. FREIGHT. No. 2.

AN ACCOUNT of the RATE of FREIGHT per Ton paid by THE EAST INDIA COMPANY from *China*, on the average of the whole Tonnage of the following Years:

			£.	s.	d.
1824	20 Ships	average	19	–	4
1825	19 ditto	—	19	5	2
1826	23 ditto	—	18	14	6
1827	29 ditto	—	18	9	1
1828	25 ditto	—	17	18	11
1829	20 ditto	—	19	12	4
		£.	113	–	4
	AVERAGE	£.	18	16	9

East India House,
1st March 1830.

W. Raincock.

—3.—

No. 3.

AN ACCOUNT of the RATE of FREIGHT, per Ton, which will probably be paid by THE EAST INDIA COMPANY, from *China*, on the Average of the whole Tonnage of the following Years:

			£.	s.	d.
1830	20 Ships	average	15	10	–
1831	20 ditto	—	15	10	7
1832	20 ditto	—	13	18	–
1833	20 ditto	—	14	13	9
1834	20 ditto	—	11	19	11

Mem.—In calculating the above Rates of Freight on the Homeward Cargoes, the deductions for Political Freight and Demorage, and for Commercial Freight outward, have been assumed upon the proportions charged for the last Seven Years.

East India House,
14th May 1830.

W. Raincock.

— 4. —

II.
FREIGHT.
No. 4.

STATEMENT of the Amount paid by the East India Company for Commercial Freight in each Year since 1814; distinguishing the Amount charged to the Trade with India from the Amount charged to the Trade with China.

	Charged to Trade with India.	Charged to Trade with China.	TOTAL.
	£.	£.	£.
1815 - -	465,862	896,013	1,361,875
1816 - -	485,485	849,064	1,334,549
1817 - -	270,574	721,101	991,675
1818 - -	220,898	437,370	658,268
1819 - -	183,182	473,411	656,593
1820 - -	184,652	590,874	775,526
1821 - -	155,880	650,357	806,237
1822 - -	105,894	598,962	704,856
1823 - -	122,296	630,766	753,062
1824 - -	109,651	593,252	702,903
1825 - -	115,354	610,140	725,494
1826 - -	128,194	602,535	730,729
1827 - -	105,636	768,758	874,394
1828 - -	111,960	628,071	740,031
£.	2,765,518	9,050,674	11,816,192

East India House,
9th June 1830.

W. Raincock.

III.—EXCHANGE.

RETURN of the RATES OF EXCHANGE and SIGHTS at which the Select Committee at the Canton Treasury was opened generally, from the Rates at which the Commanders Charterparty Agreements, in each Year since 1814; stating also

CHINA SEASONS.	BILLS. Rate of Exchange per Dollar.	Sight.	Amount Received at Canton. Dollars.		Amount payable in England. Sterling.
1814–15	5/6	365 days	556,815		£.
	5/9	ditto	49,000		
	6/	6 months	15,750		
				621,565	171,936
1815–16	5/6	365 days	391,823		
	5/9	ditto	337,073		
	6/	ditto	112,820		
				841,716	238,506
1816–17	5/2	ditto		341,582	88,242
1817–18	5/2	ditto		794,218	205,173
1818–19	5/	ditto		381,421	95,355
1819–20	5/3	ditto		192,602	50,558
1820–21					
1821–22	4/8	365 days	428,572		
	5/	730 —	392,001		
				820,573	198,000
1822–23					
1823–24	4/6	12 months		11,000	2,475
1824–25	4/6	365 days		262,970	59,168
1825–26	4/6	ditto	44,565		
	4/6	182 days	79,368		
				123,933	27,885
1826–27	4/6	182 —	715,169		
	4/3	183 —	1,750,315		
				2,465,484	532,855
1827–28	4/1½	6 months		78,201	16,129
1828–29	4/2	ditto		171,809	35,791
				Ds. 7,107,073	£. 1,722,073

Memorandum.—THE certificates are drawn in dollars from Canton, without a rate; the rate

East India House,
4th May 1830.

III.—EXCHANGE.

Canton have drawn Bills on the Court of Directors in *England*; distinguishing the Rate at which and Officers of the Company's Ships were supplied with Bills agreeable to the the Amount of such of these Bills in each Year for the same time.

CERTIFICATES. Rate, &c. at which the Commanders and Officers were supplied.				TOTAL Bills and Certificates.		CHINA SEASONS.
Rate of Exchange per Dollar.	Sight.	Amount. Dollars.	Amount. Sterling.	Dollars.	Sterling.	
			£.		£.	
- - -	- - -	- - -	- - -	621,565	171,936	1814–15.
5/9 -	90 days -	15,941				
5/9 -	365 — -	15,942				
		31,883	9,166	873,599	247,672	1815–16.
5/2 -	90 — -	100				
5/2 -	365 — -	100				
		200	51	341,782	88,293	1816–17.
5/2 -	90 — -	91,351				
5/2 -	365 — -	91,351				
		182,702	47,198	976,920	252,371	1817–18.
5/2 -	90 — -	9,770				
5/2 -	365 — -	9,769				
		19,539	5,047	400,960	100,402	1818–19.
5/3 -	90 — -	43,850				
5/3 -	365 — -	43,850				
		87,700	23,021	280,302	73,579	1819–20.
5/3 -	90 — -	10,554				
5/3 -	365 — -	10,554				
5/ -	90 — -	156,413				
5/ -	365 — -	156,412				
		333,933	83,747	333,933	83,747	1820–21.
4/10 -	90 — -	174,196				
5/ -	365 — -	174,196				
		348,392	85,646	1,168,965	283,646	1821–22.
4/8 -	90 — -	142,560				
4/10 -	365 — -	142,561				
		285,121	67,716	285,121	67,716	1822–23.
4/8 -	90 — -	9,091				
4/10 -	365 — -	9,091				
4/6 -	90 — -	179,507				
4/7 -	365 — -	179,508				
		377,197	85,844	388,197	88,319	1823–24.
4/6 -	90 — -	189,360				
4/7 -	365 — -	189,360				
		378,720	86,001	641,690	145,169	1824–25.
4/6 -	90 — -	55,744				
4/7 -	365 — -	55,744				
		111,488	25,317	235,421	53,202	1825–26.
4/3 -	90 — -	208,008				
4/4 -	365 — -	208,007				
		416,015	89,269	2,881,499	622,124	1826–27.
4/1 ½ -	90 — -	223,571				
4/2 -	365 — -	223,572				
		447,143	92,689	525,344	108,818	1827–28.
4/2 -	90 — -	232,314				
4/2 ½ -	365 — -	232,314				
		464,628	97,282	636,436	133,073	1828–29.
		Ds. 3,484,661	£. 797,994	*Ds.* 10,591,734	£. 2,520,067	

at which they are paid to the commanders, &c. is fixed by the Court of Directors in England.

(Errors excepted.) *Thos. G. Lloyd*, Acct Genl.

Appendix III.—EXCHANGE—No. 2.*

2.—A RETURN of the RATES OF EXCHANGE and SIGHTS at which the Select and the Amount in

CHINA SEASONS.	BENGAL. RATE OF EXCHANGE.	SIGHT.	AMOUNT received at CANTON.		AMOUNT Payable at Bengal, reduced into Sterling at the Rate fixed by the Board of Commissioners for the Affairs of India, for the repayment of Territorial Charges paid in England, viz. 2s. the current rupee.
			S.Drs.	*S.Drs.*	£.
1814–15	a' 42 dollars, p' 100 C.Rs.	30 days	- - -	2,607,271	620,779
1815–16	a' 41 – – – –	ditto	1,821,972		
	a' 209 S.Rs. p' 100 dollars	ditto	140,000		
				1,961,972	478,325
1816–17	a' 208 – – – –	ditto	- - -	1,105,479	266,730
1817–18	a' 205 – – – –	ditto	- - -	1,528,767	363,541
1818–19	No bills drawn.				
1819–20	a' 200 S.Rs. p' 100 dollars	30 days	- - -	396,510	91,990
1820–21	a' 200 – – – –	ditto	215,000		
	a' 204 – – – –	ditto	1,773,936		
				1,988,936	469,664
1821–22	a' 204 – – – –	ditto	142,442		
	a' 202 – – – –	ditto	1,665,414		
				1,807,856	423,947
1822–23	a' 204 – – – –	ditto	- - -	1,575,166	372,747
1823–24	a' 204 – – – –	ditto	- - -	2,080,155	492,248
1824–25	a' 204 – – – –	ditto	100,000		
	a' 207 – – – –	ditto	1,283,423		
	a' 210 – – – –	ditto	1,780,545		
	a' 208 – – – –	ditto	106,859		
				3,270,827	791,363
1825–26	a' 208 – – – –	ditto	624,462		
	a' 204 – – – –	ditto	400,608		
	a' 203 – – – –	ditto	137,465		
				1,162,535	277,840
1826–27	a' 203 – – – –	ditto	- - -	748,598	176,280
1827–28	a' 200 – – – –	ditto	716,241		
	a' 204 – – – –	ditto	1,052,274		
				1,768,515	415,178
1828–29	a' 204 – – – –	ditto	- - -	2,728,362	645,640
			S.Drs.	24,730,949	£. 586,272

THERE have not been any Bills drawn from Canton

East India House,
4th May 1830.

Committee at *Canton* have drawn Bills on the several PRESIDENCIES in *India*, each Year since 1814.

BOMBAY.				TOTAL	
RATE OF EXCHANGE.	SIGHT.	AMOUNT received at CANTON.	AMOUNT Payable at Bengal, reduced into Sterling at the Rate fixed by the Board of Commissioners for the Affairs of India, for the repayment of Territorial Charges paid in England, viz. 2*s.* 3*d.* the Bombay Rupee.	AMOUNT received at Canton for Bills drawn in each year.	AMOUNT Payable in India, reduced into Sterling at the Rates fixed by the Board of Commissioners for the Affairs of India, for the repayment of Territorial Charges paid in England.
		S.Drs.	£.	*S.Drs.*	£.
- - - - - -	- - -	- - -	- - -	2,607,271	620,779
- - - - - -	- - -	- - -	- - -	1,961,972	478,325
220 B.Rs. p' 100 dollars -	60 days	60,000	14,850	1,165,479	281,580
- - - - - -	- - -	- - -	- - -	1,528,767	363,541
- - - - - -	- - -	- - -	- - -	396,510	91,990
- - - - - -	- - -	- - -	- - -	1,988,936	469,664
- - - - - -	- - -	- - -	- - -	1,807,856	423,947
220 B.Rs. p' 100 dollars -	30 days	1,237,937	306,389	2,813,103	679,136
- ditto ditto -	- - -	465,622	115,241	2,545,777	607,489
- - - - - -	- - -	- - -	- - -	3,270,827	791,363
- - - - - -	- - -	- - -	- - -	1,162,535	277,840
- - - - - -	- - -	- - -	- - -	748,598	176,280
- - - - - -	- - -	- - -	- - -	1.768,515	415,178
- - - - - -	- - -	- - -	- - -	2,728,362	645,640
	S.Drs.	1,763,559	£. 436,480	*S.Ds.*26,494,508	£. 6,322,752

on Madras and Prince of Wales Island in the above period.

(Errors excepted.)

Thos. G. Lloyd, Acc[t] Gen[l].

— 3. —

Copy PROTEST of the Court of Directors of the East India Company, dated 25th August 1824, to a Letter from Thomas Peregrine Courtenay, Esquire, dated at the Board of Commissioners for the Affairs of India, the 6th August 1824, relative to the Rates of Exchange established by Authority of the Board.

III. EXCHANGE.

No. 3.

THE Court proceeding to take into further consideration a letter from Thomas Peregrine Courtenay, Esq. dated at the India Board the 6th instant, stating, in reply to the secretary's letter of the 18th of March last, that the Board of Commissioners for the Affairs of India are decidedly of opinion that no alteration should take place in the rates of exchange, established at the commencement of the present arrangement with the Company, and contained in the amended plan for the separation of their territorial and commercial accounts, which was approved by the Board on the 30th of June 1814.

The Court observed, that by the Act of the 53d Geo. 3, c. 155, s. 64, it is provided, that the accounts of the Company shall be "so kept and arranged as that the same shall contain and exhibit the receipts, disbursements, debts and assets, appertaining to or connected with the territorial, political and commercial branches of their affairs respectively, and that the same shall be made up in such manner that the said books shall contain and exhibit the accounts of the territorial and political departments separately and distinctly from such as appertain to or are connected with the commercial branch of their affairs."

By the same statute the Court were required "to prepare a plan for the arrangement of the accounts of the said Company in the manner aforesaid, and to submit the same to the said Board of Commissioners for the Affairs of India for their approbation;" and the Board were empowered "from time to time to make such alterations and amendments therein, and such additions thereto, as they shall think fit."

The Court, in accordance with the enactment here quoted, framed a plan for keeping and arranging the books of account of the Company in England, and forwarded the same to the Board for their approval.

The Board, in a letter dated the 24th of February 1814, stated that they conceived it proper to come to an understanding on a very material point not adverted to in the Court's plan, viz. "the rate of exchange at which the payment in India is to be credited;" regarding which the Board observed, that "reference should be had to the discussions with the Lords of the Treasury in 1811, that led to the fixing a uniform rate upon an assumed par;" and the Board added, "as the rate of exchange at which the payments in sterling shall be converted into India currency is not provided for in the said Act, the Board deem it eligible and proper to determine that the exchange shall be at the same rates which have obtained and been sanctioned by the usage of Parliament," viz. 2 *s.* the current rupee, calculated at 16 per cent less than the sicca rupee, 8 *s.* the pagoda, and 2 *s.* 3 *d.* the Bombay rupee.

Thus it was the intention of the Board to regulate, by one standard, the rate of conversion of the Indian monies into the books of account in England, and the Court were also desirous of adopting an arrangement upon that principle. A question however arose as to the standard which should be fixed; upon which the Court were of opinion, that in view to the great objects of "uniformity in statement, and accuracy in result," the correct standard would be the intrinsic value of the India monies, when compared with the mint price of the lawful currency of the United Kingdom. It was clearly shown by the Court, that upon that principle the real par value of the sicca rupee was 2/, 566, of the Arcot rupee 1/11, 247, and of the Bombay rupee 1/11, 004, whereas the rates proposed by the Board were equivalent to

2/3, 84, per sicca rupee.
2/3, 428, per Arcot rupee.
2/3 per Bombay rupee.

Notwithstanding the statements and arguments by which the Court maintained their proposal, the Board, on the 15th of August 1816, stated their determination to adhere to the rates which they had prescribed on the 24th February 1814.

On referring to the correspondence which passed on that occasion, it will be seen, that in prescribing these rates the Board were mainly influenced by the consideration that they were the rates which had generally obtained and been sanctioned by the usage of Parliament, as well in fixing of salaries, and in the settlement of accounts between the public and the Company, as in the accounts which have annually been presented to, or brought to the view of Parliament for a series of years; and also that any material alteration of rates long recognized in India might prove the means of furnishing grounds of claim on the part of the civil and military servants, to compensation for the loss which they may appear to sustain from the continuance of the old rates in the computation of their salaries.

In

In regard to the argument founded upon the usage of Parliament, the Court remark, First, That from the time the magnitude of the Company's concerns attracted the frequent attention of Parliament, the rates of conversion of English into India money, and *vice versâ*, were stated, in the accounts laid before Parliament, until the year 1789, at 2/3 the current rupee, 8/ the pagoda.

The Bombay was rated the same as the sicca rupee, viz. 16 per cent better than current, and also converted at 2/3 the current rupee. In that year the late Lord Melville, then Mr. Dundas, President of the Board, altered, in the accounts annually submitted to Parliament, the conversion of the current rupee from 2/3 to 2/; with this alteration these rates continued until 1814–15, when the Bombay rupee was rated, in the accounts laid before Parliament, at 2/3. It therefore follows, that what is termed the usage of Parliament appears to be discretional, and not fixed upon any solid principle; and, Secondly, That the circumstances affecting the exchange between England and India were so materially altered by the Act of 1813, that rates which might have prevailed prior to that period can afford no just standard by which to regulate the exchange for the future, and that as by the operation of that Act which opened to the public at large the trade with India, the exchange is necessarily governed by ordinary commercial principles, upon which it is now universally admitted that the exchange between two countries can never for any length of time fluctuate beyond the cost of remitting bullion: the bullion value is the only correct criterion by which a par could be permanently fixed.

But independently of this general answer to the argument founded upon the usage of Parliament, the Court do not consider that the Board were justified in inferring from enactments fixing of salaries, the sanction of Parliament to the rates prescribed by the Board. When salaries payable in India have been fixed by Parliament, it has been the general practice to specify the amounts in sterling. In some cases the rate of conversion into the India monies has not been specified, in others it has been specified. The construction to be put upon the cases in which Parliament has not prescribed a rate of conversion, was first settled in the year 1780, upon a question which arose regarding the salaries of the judges of the supreme court of judicature in Bengal, when after much correspondence which had passed between the governor general in council and the judges and the court, it was decided upon the advice of the then attorney-general, Mr. Wallace, and the then solicitor-general, Mr. Mansfield, that the Company were bound to pay the judges bullion, equal to the bullion value of their salaries in sterling; and a similar decision was adopted in the year 1818, upon the advice of the then attorney-general, Sir Samuel Shepherd, the then solicitor-general, Sir Robert Gifford, and the Company's standing counsel, Mr. Serjeant Bosanquet.

The Company, by the Act 53d Geo. 3, c. 155, s. 56, are required, out of their commercial funds in England to defray certain territorial charges, the amount of which is repayable in India, and no specification of the rate of exchange is contained in the statute.

Reasoning by analogy therefore, the commercial department would be entitled to the bullion value in the coin of India, of the advances issued in England in sterling; and thus it appears, that so far from the rates prescribed by the Board being justified by "Parliamentary usage, in respect of fixing of salaries," the construction put upon acts, in which salaries are fixed without a specification of the rate of conversion, is in strict accordance with the Court's proposal.

Neither do the Court admit that any argument can be drawn in support of the rates prescribed by the Board, from the mode formerly adopted in settling accounts between the public and the Company, because, although those rates were observed in such accounts previously to 1813, yet an arrangement was subsequently adopted for the repayment by the Crown to the Company of advances made in India for His Majesty's service, by bills drawn at rates of exchange differing from the rates prescribed by the Board; and with respect to the argument drawn from supposed claims of the Company's servants, it is clear, that rates of exchange in transactions between England and India can have no influence on the metallic value of the coins in which the salaries of those servants are paid; and, further, that the objection cannot possibly have any weight now that important alterations have been made in rates observed in the loan transactions of the Company. In those transactions the interests of the Company's servants are directly and materially involved; whereas in the transactions between the territorial and commercial department of the Company's affairs those interests are in no degree concerned.

The rate of exchange formerly observed in the loan transactions was generally 2/6 per sicca rupee. This was an arbitrary rate, and could only have been maintained as a commercial rate by the balance of trade being very largely in favour of India, and by a depreciation of currency of England. The joint operation of these causes kept the exchange at or above 2/6 the sicca rupee until 1818–19, when the change of circumstances in the trade of India, occasioned by the decline of the exports of piece goods from India, and the opening of the trade to the public, which was also influenced by the restoration of peace in Europe, together with the return of a metallic currency in England, began to operate upon the exchange; and so great and rapid has been the effect, that the rate has fallen to 1/11 per sicca rupee in Bengal for bills upon England, and to 1/9 in England for bills upon

III. EXCHANGE.

No. 3.

Bengal, and proportionably, or rather more so, as respects the exchange with the other settlements.

An alteration thus became indispensably necessary to save the Company from the ruinous loss of paying the interest of the debts at 2/6 the sicca rupee, and arrangements were consequently made, by which the option of receiving the interest in England is restricted to creditors resident in Europe, and is allowed to them only at the reduced rate of 2/1 the sicca rupee. Those arrangements met the entire approbation of the Board of Commissioners.

In the year 1822 the Lords of His Majesty's Treasury, in consequence of the reduction of the rate of exchange, proposed that a new arrangement should be made for the repayment to the Company in England of advances issued for His Majesty's service in India, in order, as stated by their Lordships, that "the public may derive the full benefit of the actual rate of exchange." The Court instantly admitted the justness of the proposal, and an arrangement was framed with the concurrence of the Board of Commissioners, by which the rate of exchange, in transactions between His Majesty's Government and the Company, is now fixed annually in reference to the current mercantile rate.

These departures from the old established rates of exchange, in remittances between England and India, naturally led the Court again to consider the rates observed in transactions between the territorial and the commercial departments of the Company's affairs; and it appeared to the Court, that the principle which had governed the decision regarding the supply of funds to His Majesty's service, was equally applicable to those transactions.

In the one case, the Company advance monies in India, repayable by His Majesty's Government in England; in the other case, the Company, in its commercial character, advance monies in England, repayable in India by the Company in its territorial character. If, therefore, the supplies for His Majesty's service be repaid at the rate of exchange current in India for bills upon England, the advances to the territorial department should be repaid at the rate of exchange current in England for bills upon India, and it having been found necessary, as before explained, to adapt the rate in transactions with His Majesty's Government to the altered rate of exchange, the Court were decidedly of opinion that a similar alteration was necessary in transactions between the territorial and commercial departments, the more especially as the Board had refused to adopt the only standard (viz. that of the intrinsic value) upon which permanent unchangeable rates could in the Court's judgment have been fixed.

The Court, in a letter to the Board of Commissioners, dated 15th January 1824, accordingly proposed, that from and after the 1st of May 1823, the rate of exchange in repayments to the commercial department, of sums disbursed in England for the territorial department, be governed by the actual rate current between England and India; and that to prevent the confusion of repeated fluctuations, an arrangement be adopted upon a principle similar to that agreed upon for the supply of funds for His Majesty's service; viz. that the rate for each official year should be fixed in reference to the actual rate in the month of December, by the Court of Directors, subject to the approbation of the Board.

To this proposal the Board, in a letter dated the 18th February last, urged several objections; but they at the same admitted, that "the Company, in their commercial character, are justified in considering sums advanced annually from the commercial funds in England as an amount to be applied in India to commercial purposes, and that the conversion of these sums into the India monies should be effected at rates of exchange by which the commercial branch will not sustain a loss."

On the 18th of March the Court replied *seriatim* to the several objections urged by the Board to the adoption of the Court's proposal, adding, that "should the Board be of opinion that the commercial branch may be secured from loss in their transactions, in a mode less objectionable to the Board than that which has been suggested, the Court trust that they shall be favoured with a communication explanatory of the Board's sentiments to that effect."

By the letter from Mr. Courtenay, dated the 6th ultimo, the Court are informed that the Board are decidedly of opinion that no alteration should take place in the rates of exchange established at the commencement of the present term.

The Court cannot avoid an expression of their surprise that the Board, after having, so late as February last, distinctly admitted that the repayment to the commercial, of sums due to it from the territorial branch, "should be effected at rates of exchange by which the commercial branch will not sustain a loss," should now refuse to admit of any alteration in rates, by the observance of which the commercial branch is subjected to very heavy loss; and that the communication to the Court of this extraordinary resolution should have been unaccompanied by any argument, or even observation, in reply to the statements made by the Court, in view to the removal of the objections urged by the Board to the proposal for establishing rates of exchange in reference to mercantile usage. The silence of the Board on this occasion fortifies the Court in their conviction of the soundness of that proposal, and of the fallacy of the objections raised to its adoption.

The

III.
EXCHANGE.
No. 3.

The refusal of the Board to concur either in the Court's proposal to establish a permanent system, founded on the intrinsic value of the coins, or in their subsequent proposal to assimilate the rate of exchange to the actual mercantile rate, and the final determination of the Board not to permit any alteration in the rates prescribed by them in the year 1814, leave to the Court no alternative but to observe those rates in such accounts and statements as may be prepared under the 64th section of the Act of the 53 Geo. 3, c. 155; but as reflection has only served to confirm the Court in their opinion, that, as compared with rates of exchange calculated upon the principles which govern the system of exchange throughout the world, the rates prescribed by the Board are altogether erroneous; that the observance of them in official statements of the transactions between the territorial and commercial branches of the Company's affairs rendered to the General Court, to Parliament and to the public, necessarily falsifies the results which those statements exhibit; and that this practice has an unjust operation upon the commercial funds of the Company from which the dividends upon East India stock are in the first instance by law payable; this court, after having repeatedly, but fruitlessly, pressed the necessity of correcting the system, unanimously consider that their duty imperiously requires that they should thus record their formal protest against the decisions which the board have passed upon this subject, and

The Court direct, that their accountant general do state in a separate account, commencing with the year 1814, and to be continued from year to year, the amount of the difference between the repayment to the commercial department of the sums due to it by the territorial department at the rates prescribed by the Board, and at those which the mercantile rates current in each year in England for bills upon India would justify, in order that the Company may be enabled to produce, whenever it shall be deemed necessary or expedient, true and faithful statements of the results of these transactions.

IV.—ESTABLISHMENTS. - - - - - - -

1.—AN ACCOUNT of the Expense of The East India Company's Establishment at and the whole Cost for the maintenance of

SALARIES and EMOLUMENTS, Being the proportion of Commission assigned to Servants of the rank of Supra Cargoes, of Salaries to Writers not in the Commission, and of Salaries to Persons filling Professional and other distinct Offices at the Factory.	1823/24. On Consignments from England and India to China, and from China to England.	1823/24. On Consignments from China to the British North American Colonies.	1823/24. TOTAL.	1824/25. On Consignments from England and India to China, and from China to England.	1824/25. On Consignments from China to the British North American Colonies.	1824/25. TOTAL.
SUPRA CARGOES and WRITERS:	£.	£.	£.	£.	£.	£.
Season of Appointment.						
1799/1800: Sir James Brabazon Urmston, Knt. - - -	10,001	- -	10.001	9,131	253	9,384
1800/1 - James Molony, Esq. - - - - -	8,333	- -	8,333	- -	- -	- -
1801/2 - James Thomas Robarts, Esq. - - - -	8,333	- -	8,333	7,609	211	7,820
1801/2 - Sir William Fraser, Bart. - - - -	8,333	- -	8,333	7,609	211	7,820
1803/4 - Francis Hastings Toone, Esq. - - - -	6,945	- -	6,945	7,609	211	7,820
1804/5 - William Henry Chicheley Plowden, Esq. - -	6,250	- -	6,250	6,341	176	6,517
1806/7 - William Baynes, Esq. - - - - - -	5,417	- -	5,417	5,707	158	5,865
1807/8 - Charles Millett, Esq. - - - - - -	4,723	- -	4,723	4,946	137	5,083
1812/13 James Bannerman, Esq. - - - - - -	2,501	- -	2,501	4,311	120	4,431
— - Charles Marjoribanks, Esq. - - - - -	- -	- -	- -	- -	- -	- -
— - John Francis Davis, Esq. - - - - -	2,223	- -	2,223	2,283	63	2,346
D° - - Allowance as a Student of the Chinese Language	- -	- -	100	- -	- -	- -
1814/15 - James Frederick Nugent Daniell, Esq. - -	1,805	- -	1,805	2,029	56	2,085
1815/16 - Thomas Charles Smith, Esq. - - - - -	1,805	- -	1,805	1,649	46	1,695
D° - - Allowance as a Student of the Chinese Language	- -	- -	- -	- -	- -	100
— - John Jackson, Esq. - - - - - -	500	- -	500	1,649	46	1,695
D° - - Allowance as a Student of the Chinese Language	- -	- -	- -	- -	- -	- -
D° - - - - for attending examinations of Tea, for the purpose of learning the qualities -	- -	- -	- -	- -	- -	- -
1818/19 George Best Robinson, Esq. - - - -	500	- -	500	600	- -	600
— - Robert Burland Hudleston, Esq. - - -	500	- -	500	600	- -	600
— - Edward Wigram, Esq. - - - - - -	400	- -	400	500	- -	500
1820/21 - Hugh Hamilton Lindsay, Esq. - - -	300	- -	300	400	- -	400
D° - - Allowance as a Student of the Chinese Language	- -	- -	100	- -	- -	100
— - Robert Inglis, Esq. - - - - - -	100	- -	100	200	- -	200
D° - - Allowance as a Student of the Chinese Language	- -	- -	100	- -	- -	100
1824/25 - John Harvey Astell, Esq. - - - -	- -	- -	- -	- -	- -	- -
— - Henry Matthew Clarke, Esq. - - - -	- -	- -	- -	- -	- -	- -
D° - - Allowance as a Student of the Chinese Language	- -	- -	- -	- -	- -	- -
— - John Bensley Thornhill, Esq. - - - -	- -	- -	- -	- -	- -	- -
— - Henry Thomas Ravenshaw, Esq. - - -	- -	- -	- -	- -	- -	- -
1826/27 - Frederick John Morris, Esq. - - - -	- -	- -	- -	- -	- -	- -
PERSONS filling Professional and other distinct Offices in the Factory:						
Rev. Henry Harding - - Chaplain - - - - - - - -			800	- -	-	489
Rev. George Henry Vachell - d° - - - - - - - -			- -	- -	-	- -
Mr. Alexander Pearson, Surgeon (including Table Allowance on account of his residence at Macao, during the stay of the Factory at Canton) - -			1,540	- -	-	1,540
— John Livingstone - - d° - - d° - - - - - -			1,240	- -	-	1,240
— Thomas Colledge - - d° - - d° - - - - - -			- -	- -	-	- -
— Samuel Ball - - - Inspector of Teas - - - - -			1,995	- -	-	2,500
— John Reeves - - - - - d° - - - - - -			1,583	- -	-	715
— John Russell Reeves, Assistant d° - - - - - -			- -	- -	-	- -
Rev. Dr. Morrison - - Interpreter and Translator - - - -			1,000	- -	-	500
Mr. John Francis Davis - Acting - - d° - - - - - -			- -	- -	-	500
Copying Writers, occasionally employed in the Offices - - - -			589	- -	-	1,110
Steward, Butler, domestic Servants, &c. - - - - - -			506	- -	-	498
		£.	78,522	- -	£	74,253
Cost of Maintenance; comprising Rent and Repairs of Private Apartments, as well as Furniture supplied thereto, and the expense of the Public Table kept at the Factory - - -			15,265	- -	-	17,090
		£.	93,787	- -	£.	91,343

East India House,
17th March, 1830.

IV.—ESTABLISHMENTS.

Canton; the Names of the Servants, and the Amount of Salaries and Emoluments of each, the same in each Year since 1822/23.

1825/26.			1826/27.			1827/28.			1828/29.		
On Consignments from England and India to China, and from China to England.	On Consignments from China to the British North American Colonies.	TOTAL.	On Consignments from England and India to China, and from China to England.	On Consignments from China to the British North American Colonies.	TOTAL.	On Consignments from England and India to China, and from China to England.	On Consignments from China to the British North American Colonies.	TOTAL.	On Consignments from England and India to China, and from China to England.	On Consignments from China to the British North American Colonies.	TOTAL.
Partly estimated. £.	£.	£.	Partly estimated. £.	£.	£.	Partly estimated. £.	£.	£.	Partly estimated. £.	£.	£.
9,386	296	9,682	11,242	297	11,539	7,089	253	7,342	7,233	174	7,407
—	—	—	—	—	—	—	—	—	—	—	—
2,379	- -	2,379	—	—	—	—	—	—	—	—	—
7,822	247	8,069	9,368	247	9,615	8,507	304	8,811	2,113	- -	2,113
7,822	247	8,069	9,368	247	9,615	7,089	253	7,342	1,808	44	1,852
7,427	247	7,674	9,368	247	9,615	7,089	253	7,342	8,679	209	8,888
6,321	206	6,527	7,808	206	8,014	5,908	211	6,119	7,144	174	7,318
5,630	185	5,815	7,026	186	7,212	5,317	190	5,507	6,623	167	6,790
4,886	161	5,047	6,089	161	6,250	4,607	165	4,772	5,692	142	5,834
3,798	140	3,938	5,308	140	5,448	4,016	143	4,159	5,042	127	5,169
2,267	74	2,341	2,811	74	2,885	2,127	76	2,203	4,278	110	4,388
- -	- -	- -	- -	- -	- -	- -	- -	100	- -	- -	100
1,966	66	2,032	2,499	66	2,565	1,890	68	1,958	3,175	87	3,262
1,695	54	1,749	2,031	54	2,085	1,537	55	1,592	2,030	51	2,081
- -	- -	100	- -	- -	100	- -	- -	100	- -	- -	100
1,451	54	1,505	2,031	54	2,085	1,537	55	1,592	1,759	44	1,803
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	100
- -	- -	- -	- -	- -	- -	- -	- -	100	- -	- -	600
500	- -	500	500	- -	500	900	- -	900	1,452	38	1,490
500	- -	500	500	- -	500	900	- -	900	1,325	28	1,353
—	—	—	—	—	—	—	—	—	—	—	—
500	- -	500	500	- -	500	700	- -	700	800	- -	800
- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	100
300	- -	300	—	—	—	—	—	—	—	—	—
- -	- -	100	—	—	—	—	—	—	—	—	—
68	- -	68	200	- -	200	300	- -	300	400	- -	400
55	- -	55	200	- -	200	300	- -	300	400	- -	400
- -	- -	- -	- -	- -	100	- -	- -	100	- -	- -	100
60	- -	60	200	- -	200	300	- -	300	400	- -	400
60	- -	60	200	- -	200	300	- -	300	400	- -	400
- -	- -	- -	- -	- -	- -	- -	- -	- -	99	- -	99
- - -		815	- - -		1,000	- - -		263		—	—
- - -		- -	- - -		- -	- - -		- -	- - -		561
- - -		1,540	- - -		1,540	- - -		1,540	- - -		1,540
- - -		1,240	- - -		1,240	- - -		670	- - -		500
- - -		- -	- - -		167	- - -		1,240	- - -		1,240
- - -		2,500	- - -		815	—		—	—		—
- - -		800	- - -		1,964	- - -		2,000	- - -		2,000
- - -		- -	- - -		- -	- - -		250	- - -		500
- - -		500	- - -		671	- - -		1,000	- - -		1,000
- - -		500	- - -		359	—		—	—		—
- - -		672	- - -		552	- - -		875	- - -		613
- - -		467	- - -		366	- - -		444	- - -		1,003
- -	£.	76,104	- -	£.	88,102	- -	£.	71,121	- -	£.	72,304
- - -		16,095	- - -		16,942	- - -		16,433	- - -		16,782
- -	£.	92,199	- -	£.	105,044	- -	£.	87,554	- -	£.	89,086

(Errors excepted.)

Tho. G. Lloyd,
Acct Genl.

IV. ESTABLISHMENTS.

No. 2.

2.—AN ACCOUNT showing all other Charges, as well in *China* as in including Freight, and stating the actual Amount

		1823/24.
IN CHINA:		
Rent, Repairs and Furniture, including a charge of 6 per cent per ann. on Buildings and other Dead Stock, the property of the Company, in China		£. 6,018
Canton Port Charges		27,436
Unloading Charges		4,085
Expense of the removal of the Factory Establishment to and from Macao, Charge of the Company's Cutter, Boat-hire, &c.		2,982
D° - on account of their reception on board the Company's Ships during the discussions with the Chinese Authorities		336
Linguist's Fees, Chinese Masters, &c.		835
Stationery, and Articles for use		1,062
Wages of Coolies and Watchmen, Packing Charges, &c.		2,077
Petty Expenses		54
Printing Establishment		1,070
		45,955
Freight of Woollens consigned to Bengal by a Country Ship		520
ON THE TRADE FROM CHINA:	£.	46,475
IN ENGLAND:		
Proportion, attaching to the China Trade, of Establishment for the joint management of the Trade to India and China		77,162
Paper, Printing and Stationery for the Tea Department		2,563
Rent and Repairs of Warehouses, calculated at the rate of 6 per cent per annum on the Capital invested therein		26,354
Taxes and Parochial Rates thereon, Coals, Candles, &c.		5,365
Wages of Labourers employed at the Tea Warehouses		54,288
Charges landing Tea, &c. from the Ships, (including proportion of Establishment employed upon this duty)		4,439
Amount of Cooperage on Tea Chests incurred at the period of landing them		2,016
Cartage of Tea from the Docks to the Warehouses, including wear and tear of Caravans		4,105
Articles supplied for the repair of Packages, and other purposes, after the receipt of the Tea in the Warehouses		5,028
Dock Rates and Wharfage payable to the East India Dock Company on Tea imported		5,119
Proportion of Charges incurred on Nankeens and China Raw Silk imported by the Company		1,809
Annual Allowance granted to Commanders of Company's Ships acting as Commodores of the Fleet at Canton; also Pension to a retired Inspector of Tea, paid in England		1,000
Proportion of Commercial Charges of a general description, not attaching to any particular Department, and sundry Miscellaneous expenses		5,084
		194,332
Deduct, For such part of the sums received by the Company, under the engagements entered into with the Commanders and Officers of their China Ships, as are considered to be in reimbursement of Charges actually incurred on Tea imported by them		11,472
ON THE TRADE TO CHINA:		182,860
Proportion of the Charges Establishment and Shipping Charges, attaching upon the Company's Exports to China		19,230
TOTAL of the Charges in England attaching to the China Trade, exclusive of Freight and of the Commission and Allowances to the Establishment at Canton		202,090
Freight, From England and India to China		51,935
„ China to England		577,792
„ d° - the British Colonial Possessions at the Cape of Good Hope and North America		1,039
	£.	832,856
TOTAL	£.	879,331
The above account does not comprise the Charge for Interest, nor that for Premium of Insurance, which the Company are permitted by the Act 24 Geo. 3, c. 38, to calculate as part of the prices at which to put up their Teas to Sale; and which amounted in the Years comprised in the preceding Statement to the following sums; viz.	INTEREST	248,060
	INSURANCE	61,873

East India House,
17 March 1830.

IV. ESTABLISHMENTS.

No. 2.

England, incurred by The East India Company in their Trade with *China*, in each Year, from 1822/23.

1824/25.	1825/26.	1826/27.	1827/28.	1828/29.
£.	£.	£.	£.	£.
12,523	11,588	7,929	8,618	8,554
30,030	26,629	41,068	34,052	28,359
3,651	3,856	4,559	4,563	5,280
3,196	2,904	3,509	5,019	2,514
—	—	—	—	—
818	909	1,228	1,146	1,387
417	427	621	459	466
2,372	1,781	2,179	2,626	2,524
94	173	88	38	107
988	323	137	137	249
54,089	48,590	61,318	56,658	49,440
—	—	—	—	—
54,089	48,590	61,318	56,658	49,440
78,905	78,875	73,021	69,735	69,793
2,729	2,324	1,792	1,910	1,819
26,354	26,082	26,884	26,884	27,151
5,534	5,333	6,042	5,711	5,695
56,480	62,040	66,430	74,438	73,813
3,808	4,257	4,906	6,324	4,102
2,143	2,058	1,982	2,680	2,168
3,962	4,025	5,670	6,739	4,427
10,010	12,064	11,500	11,646	12,534
4,652	5,409	5,217	6,403	6,790
670	—	—	—	—
1,000	1,000	1,000	1,000	1,000
7,639	5,912	6,009	7,770	5,998
203,886	209,379	210,453	221,240	215,290
13,616	12,597	10,907	15,703	11,992
190,270	196,782	199,546	205,537	203,298
18,274	24,209	20,193	18,934	15,924
208,544	220,991	219,739	224,471	219,222
91,251	102,984	79,160	98,319	85,875
500,626	492,542	495,949	647,319	518,810
1,375	14,614	27,426	23,120	23,386
801,796	831,131	822,274	993,229	847,293
855,885	879,721	883,592	1,049,887	896,733
225,770	204,680	279,684	243,234	226,070
56,067	50,288	70,043	61,281	56,114

(Errors Excepted.)

Thos. G. Lloyd,
Acc^{t} Genl.

Appendix IV.—ESTABLISHMENTS—No. 3.

3.—A RETURN of the COMPANY'S ESTABLISHMENT at the *Cape of Good Hope*; with the the Rate of Agency charged on Purchases and Sales, with the Gross

ESTABLISHMENT, with the Salaries of the different Officers

1824-25.		1825-26.	
	£.		£.
William Hawkins, esq. agent, salary	1,600		1,600
Ditto - commission of 5 per cent on net profit of sales	131		44
Mr. Harris, confidential clerk, salary	300		300
Mr. S. Oliver, storekeeper, salary	107		112
Mr. Francis Ross, assistant in office, salary	34	Francis Ross, assistant in office, to 1st November 1825	18
		Arthur Nitch, ditto, from ditto	18
Watchmen	43		45
Labourers' Wages (occasional)	30		42
Office Rent	43		45
Rent of Warehouses hired of individuals	291		306
Expense of landing Stores	33		57
Sundry Charges in conducting the agency	26		13
£.	2,638	£.	2,600

GROSS AMOUNT of

	1824-25.
	£.
Purchases on account of St. Helena	4,509
D° - of goods consigned to England (wines)	9,874
Sales	20,229
£.	34,612

THE Company's agent at the Cape is remunerated for all the services performed by him by a constitute the whole of his allowances.

His duties, in addition to those of the custody and sale of the goods consigned by the Company ment to England, supplying the Company's shipping, whether engaged in their trade or conveying have reference to every part of the Company's concerns in respect to which his services may at

The books of the Company's agency at the Cape are balanced to the 1st of May in each year. yet been received up to 31st December 1829.

East India House,
4th May 1830.

Salaries of the different Officers thereof; the Expense incurred for maintaining Warehouses; Amount of the same; for the Five Years ending 31st December 1829.

thereof, and the Expense incurred for maintaining Warehouses.

1826–27.	1827–28.		1828–29.	
£.		£.		£.
1,600	- - - - - - - - - -	1,600	- - - - - -	1,600
250	- - - - - - - - - -	264	—	—
300	Mr. Harris, confidential clerk, to 1 Aug. 1827	75	Mr. Oliver, confidential clerk and storekeeper - -	300
112	Mr. Oliver, d° and storekeeper, from d° £.225 D° - storekeeper to 1 Aug. - - 28	253		
36	Mr. Nitch, assistant in office, to d° - £. 9 D° - 1st - d° - from d° - - 50	59	Mr. Nitch, 1st assistant - -	67
	Mr. J. J. R. Vanlier, 2d d°, from d° - -	34	Mr. J. J. R. Vanlier, 2d d° -	45
45	- - - - - - - - - -	45	- - - - - -	45
34	- - - - - - - - - -	30	- - - - - -	27
45	- - - - - - - - - -	45	- - - - - -	45
261	- - - - - - - - - -	261	- - - - - -	261
60	- - - - - - - - - -	63	- - - - - -	36
23	- - - - - - - - - -	9	- - - - -	2
2,766		£. 2,738		£. 2,428

Purchases and Sales.

1825–26.	1826–27.	1827–28.	1828–29.
£.	£.	£.	£.
10,083	7,543	8,399	8,963
4,899	5,768	—	—
21,535	19,396	15,537	13,821
36,517	32,707	23,936	22,784

fixed salary, which, with the commission paid on the net profit of the sales, as above shown,

to the Cape, the purchase of stores for the supply of St. Helena, and of merchandize for consign-troops to or from India, and transmitting intelligence to the authorities both in England and India, any time be needed.

The above Account is rendered for the five years ending 1st May 1829, the accounts not having

(Errors excepted.)

Thos. G. Lloyd,
Acct Genl.

V.—REVENUE ACCOUNTS.

V. REVENUE ACCOUNTS.

No. 1.

1.—STATEMENT of the Particulars of an Item in the Account of the Commercial Branch of The East India Company's Affairs, for the Year 1828/29, entitled, "Charges General," amounting to £. 467,991. 6. 11.

	£.	s.	d.
Directors' Gratuities (one-half)	3,642	12	–
Proportion of Salaries and Allowances to the Officers of the House and Warehouses, chargeable to the Commercial Branch, according to the principle established for each office in the Plan of Accounts, approved by the Board of Commissioners	79,130	19	3
Allowances to Extra Clerks (one-third)	8,317	3	6
East India College, chargeable to the Commercial Branch, in the proportion that the number of Servants Abroad employed in that Department bears to the Total Number of Servants on the India and China Establishments	748	19	9
Supra-cargoes' Commission	63,355	7	8
Annuitants and Pensioners of the Commercial Department	29,053	15	9
Tradesmen's Bills for Expenses of the East India House, Repairs, Taxes, Coals, Candles, &c. (one-half)	20,743	12	4½
Law Charges incurred in respect to Commercial matters	1,617	8	1
The two Widows Funds, established for the benefit of the Home Service; one-half of the Grants from the Company's Cash	550	–	–
Care of Insane Persons who have belonged to the Commercial Branch of the Service	530	4	7
Subscriptions to Charities and on public occasions (one-half)	691	2	–
Books, Maps, Charts, &c. purchased or subscribed for (one-half)	1,814	6	9
Stationery for Home use (one-half)	3,434	3	8
Buildings	5,093	5	11
Regiment of Royal East India Volunteers	2,854	10	–
Disbursements of Agents at Out-ports	893	16	6½
Inspectors and Surveyors of Shipping	216	14	1
Hoys, Pilot Vessels and Cutters	5,017	5	7
Hoyage and Lighterage	1,695	13	11
Charges of the Naval Store Warehouse	572	14	5
Labourers' Wages	172,009	6	7
Pensions to Labourers	8,104	3	4
Medical Attendance to Labourers and Deficiencies in Sick Fund	4,335	14	10½
Tradesmen's Bills for Expenses of the Warehouses	39,537	13	7½
Taxes, Rates, Tithes, &c. for the Warehouses	13,298	7	3½
Rents, Wharfage, landing and shipping Goods	8,125	12	1½
East India Dock Company, for Dock Rates, Wharfage and Rents	32,335	–	11
West India Dock Company - - ditto - - ditto	3,707	14	7
Cartage and Expense of Caravans	8,364	1	–½
Carried forward £.	519,791	10	2½

V. REVENUE ACCOUNTS. No. 1.

	£.	s.	d.
Brought forward - - -	519,791	10	2½
Sundry Charges on account of the preparation of Goods for Sale -	1,628	2	1
Fees to King's Officers, and Expense of Entries at the Custom House	484	16	10
Sundry Miscellaneous Items of a Commercial nature - - -	359	8	8
£.	522,263	17	9½

RECEIPTS:

	£.	s.	d.	£.	s.	d.
Received for Expense of Transfers, Powers of Attorney, &c. - - - - - - -	149	11	–			
Fines and Penalties for Breaches of Contracts for the provision of Commercial Exports - - -	595	6	–			
Commercial Charges, debited Owners of Ships in Freight Accounts - - - - - -	615	15	6			
Old Goods sold (Packages, &c.) - - - -	342	7	5½			
Warehouse Rent - - - - - - - -	50,213	7	1			
Charges on Baggage of Passengers from India -	995	5	–.			
Effects of deceased Persons from India, received in Deposit - - - - - - - - -	58	11	11			
Loans to sundry Persons, more received than advanced in the present year - - - - - - -	711	15	–			
Balances in hands of Officers of the House, &c. less on 1st May 1829 than on 1st May 1828, operating as a Receipt - - - - - - - -	590	11	11			
				54,272	10	10½
£.				467,991	6	11

THE Sums received by the Company, in respect of the Charges of Management of Private Goods, will operate in Reduction of the Amount herein stated. £. 74,485 was received on this Account in 1828/29, being part of a separate Item of Receipt in the Account of the Commercial Branch of the Company's Affairs for the same Year.

East India House,
2d June 1830.

(Errors excepted.)

Thos G. Lloyd,
Accot Genl.

Appendix V.—Revenue Accounts—No. 2.

2.—STATEMENT, showing the manner in which the Balance on the Advances from the Commercial to the Territorial Branch of The East India Company's Affairs, since 1814, is computed by the Accountant General to amount to £.12,110,198.

THE Sum of £.12,110,198. represents the amount of benefit computed to have been derived by the Territory from the Commerce, since 1814 to the close of the official year 1828/29. It is exclusive of the Balance of £.4,715,981. due to the Commerce on the Account Current between the two Branches, as it stood on 1st May 1829, made up at the Board's Rates of Exchange, and results from both a direct and an indirect advantage.

1st. A direct advantage, in the discharge of India Debt, by means of the Surplus Commercial Profits of the Company, under the 4th head of appropriation of the 57th section of the Act of 1813, in the modes and at the periods stated below; the sums thus applied out of the Commercial Funds to the service of the Territorial Branch, not having been charged to the debit of the annual account between the two branches, and with a view to their being replaced to Commerce; viz.

By Payment in this country of Bills of Exchange drawn from India in discharge of the Principal of India Debt, out of Surplus Commercial Profits, with the approbation of the Board of Commissioners for the Affairs of India communicated at various times:

		£.
1814/15	£. 329,704	
1815/16	318,382	
1816/17	477	
1817/18	200	
1818/19	98	
1820/21	6,285	
1821/22	10,576	
1822/23	25,500	
1823/24	1,396,842	
1826/27	3,950	
1827/28	82,103	
1828/29	82,064	
		2,256,181

By Consignments of Bullion to India, provided from this source, to be applied in aid of the Sinking Fund established in Bengal for the reduction of India Debt.

1818/19: Consignments of Bullion to India in aid of the Sinking Fund, per Resolutions of the Court of Directors, sanctioned by the Board of Commissioners for the Affairs of India, on the 18th Sept. 1818 and 5th April 1819 -	1,000,537	
1819/20: A further Consignment of Bullion to India, per Resolution of the Court of Directors, sanctioned by the Board of Commissioners, on the 30th August 1819 - - - - - - - -	166,302	
		1,166,839

By an arrangement in respect to the debt due from Territory to Commerce:

1821/22: Sum directed by the Court's Financial Despatch to Bengal of 29th June 1821, to be advanced in India towards the Sinking Fund out of Surplus Commercial Profits made available there, by striking off an equal amount of the debt due from Territory to Commerce, and thus abating the sum which would otherwise have been issuable for Commercial purposes in India, sanctioned by the Board of Commissioners for the Affairs of India on 27th June 1821, and applied in India in the years 1822/23 & 1823/24 - - - -		1,500,000

2dly. An indirect advantage by the use of the Board's Rates of Exchange in adjusting the transactions between Territory and Commerce, under the 56th section of the Act of 1813. The Commercial Funds in England having, on the commencement of the system prescribed by that section, become immediately available to the supply of the wants of the Territorial Branch in this country, the operation thence resulting was analogous to the realization of a supply in England by the Territorial Branch, by means of the negotiation of its Bills upon the Governments of India. The issues in India, for the purposes of the Company's Investments, are the return authorized by the Act to be made to the Commerce for its outlay on the Territorial Account in England. These issues have been valued in account at the fixed rates of exchange before mentioned; but had the supplies for which they stand as an equivalent been provided by actual negotiation, their real equivalent in Indian currency would have been determined by the rates at which they could from time to time have been raised in the market. Assuming, therefore, the rates of exchange ascertained to have been prevailing during the years through which this Account extends, for Bills drawn from London upon Calcutta at 60 days sight, and augmenting these rates in favour of the Territory by an addition of 6 months interest, from the consideration that a credit for that period (upon the average) in favour of the drawer, is involved in the conditions of such Bills, whereas the issues

Carried forward - - - 4,923,020

Appendix V.—Revenue Accounts—No. 2. *continued.*

Brought forward - £. 4,923,020

issues in India for investment are made simultaneously with the outlay for Territorial purposes in England, it is found that the sums actually issued in India for Investment, under this section of the Act of 1813, have been over-valued to the following extent: viz.

	Amount of Advances in India, reducing the Currencies of Madras and Bombay, and the other Settlements, into Sicca Rupees, according to the proportion of fine Silver in the several Coins.	Average Rate of Exchange for Bills on Calcutta, adding Six Months Interest, at the Rate of the Company's Bond Debt for Passage, and 60 Days sight. *Per Sicca Rupee.*	Sterling Amount of Advances in India, at the Exchange Rates.	Sterling Amount of Advances in India, at the Rates fixed by the Board.	Amount of Advances in India, less in Sterling Money, calculated at the Board's Rates.	Amount of Advances in India, more in Sterling Money, calculated at the Board's Rates.
	Sicca Rupees.	*s. d.*	£.	£.	£.	£.
1814/15 - -	1.04.33.656	2 4.448	1,236,736	1,223,368	13,368	—
1815/16 - -	1.63.64.628	2 4.127	1,920,644	1,926,935	- -	6,291
1816/17 - -	1.34.00.299	2 2.713	1,491,528	1,582,759	- -	91,231
1817/18 - -	1.59.88.113	2 2.778	1,783,989	1,883,874	- -	99,885
1818/19 - -	1.02.24.537	2 4.240	1,203,314	1,213,392	- -	10,078
1819/20 - -	1.57.71.830	2 1.945	1,706,213	1,843,978	- -	137,765
1820/21 - -	1.67.09.380	2 0.862	1,730,828	1,955,662	- -	224,834
1821/22 - -	1.44.12.500	1 10.822	1,370,509	1,680,042	- -	309,533
1822/23 - -	1.93.07.227	1 9.738	1,749,040	2,258,463	- -	509,423
1823/24 - -	1.93.46.688	1 9.621	1,743,846	2,257,888	- -	514,042
1824/25 - -	2.28.94.441	1 8.540	1,960,164	2,674,830	- -	714,666
1825/26 - -	1.93.64.929	1 9.376	1,766,886	2,255,561	- -	488,675
1826/27 - -	2.20.81.611	1 9.355	1,966,229	2,578,485	- -	612,256
1827/28* {Regular Estimate}	2.67.36.747	1 8.845	2,322,198	3,124,900	- -	802,702
1828/29† {Sketch Estimate}	2.38.17.520	1 9.543	2,137,920	2,784,042	- -	646,122
			26,090,044	31,244,179	13,368	5,167,503
					Deduct, Amount less	13,368
						5,154,135

* Actual Accounts of this year received since this computation was made.

† Regular Estimate of 1828/29 ditto.

As the issues, however, for Investment in India have not, even upon the mode of computation actually adopted, equalled the amount of payments made for Territorial charges in England, a Balance has accrued in account between the two branches, upon which an interest has been annually charged; the amount of which interest upon the increased Balance which is found to be due from the Territory by the use of the mercantile rates of exchange, would be augmented by the sum of - 941,880

The foregoing sum of £. 5,154,135 exhibits the over-valuation which has taken place only in respect of the sums actually issued for Investment in India since 1814. Upon the sum of £. 4,715,981, interest included, still remaining to be issued to the Commercial Department on 1st May 1829, according to the prescribed mode of computation, a further over-valuation in favour of the Territorial branch would arise by the continuance of the same principle of calculation, to the amount of - 1,091,163

7,187,178

TOTAL - - - - £. 12,110,198

The repayments of Advances made by the Commerce to the Territory, if made at Madras, are valued at 8*s.* the pagoda, or 3 ½ Madras rupees per pagoda, thus making the rupee 2*s.* 3*d.* 428; if made at Bombay, the rupee is valued at 2*s.* 3*d.* As the rupees of Madras and Bombay contain only 165 grains of fine silver, whereas the Bengal sicca contains 175, 923 grains, it follows that although the rate of the Bengal sicca rupee applicable to the issues for commercial purposes at that presidency be 2*s.* 3*d.* 84, the rate for its adjustment in respect of the issues at the subordinate presidencies, according to the regulations severally applying to them, is, for sums issued in the - - Madras currency, per sicca rupee, 2*s.* 5*d.* 24.
Bombay ditto - - ditto - - 2*s.* 4*d.* 79.

East India House, 2d June 1830. (Errors excepted.)

Thos G. Lloyd, Acct Genl.

VI.—SHIPS LOST OR CAPTURED.

A RETURN of all SHIPS belonging to or chartered by the EAST INDIA COMPANY, Lost or Captured since the Year 1792; stating their Tonnage, Cargoes, and the Voyage they were prosecuting when Lost or Captured.

SHIPS' NAMES.	Tonnage.	WHEN AND WHERE LOST OR TAKEN.	Value of CARGOES Lost.
SHIPS IN THE COMPANY'S REGULAR SERVICE:			£.
Foulis	765	- - sailed from Madras for Bencoolen the 8th March 1791, and has not since been heard of.	14,858
Winterton	771	- - lost 20th August 1792, off Madagascar, on the voyage to Madras and Bengal outward.	96,506
Princess Royal	805	- - taken by the French in the Straits of Sunda, on her voyage to China, 27th September 1793.	1,600
Pigot	765	- - taken by the French, 7th February 1794, in Bencoolen Roads.	- - no cargo on board.
Triton	800	- - taken by the French on her voyage from Madras to Bengal, 29th January 1796.	3,030
Ocean (Captain Patton)	1,189	- - lost, outward-bound, on the voyage to China, 1st February 1797.	63,216
Princess Amelia	808	- - burnt at Bombay, 5th April 1798, homeward cargo	22,061
Raymond	793	- - captured off Tellicherry, on the voyage from Bombay, 20th April 1798, homeward cargo.	8,963
Woodcot	802	- - ditto - - - - - ditto - - - - -	20,621
Henry Addington	1,200	- - lost near St. Helen's, outward-bound on her voyage to Bombay and China, 8th December 1798.	29,222
Earl Fitzwilliam	803	- - burnt in Bengal, 23d February 1799, homeward cargo	46,250
Osterly	775	- - taken by the French in the Bay of Bengal, 24th February 1799, but afterwards re-captured.	- - no loss incurred on cargo.
Queen	801	- - burnt at St. Salvador, outward-bound on her voyage to China, 9th July 1800.	30,421
Kent	820	- - captured by the French in the Bay of Bengal, outward-bound, 7th October 1800.	28,676
Earl Talbot	1,200	- - supposed to have been lost in the China Seas, in the passage from Bombay to China, October 1800.	2,603
Hindostan	1,248	- - lost in the Queen's Channel, on her voyage to Madras and China, 11th January 1803.	44,814
Prince of Wales	820	- - supposed to have been lost on her voyage from Fort St. George homeward, May 1804.	28,860
Princess Charlotte	610	- - taken by the French in Vizagapatam Roads, 18th September 1804, about to load homeward.	- - no cargo on board.
Earl of Abergavenny	1,200	- - lost in Portland Roads, on her voyage to Bengal and China, 5th February 1805.	79,710
Brunswick	1,200	- - taken by the French off Point de Galle, returning from Bombay to China, 11th July 1805.	- no Company's cargo on board.
Britannia (Company's ship)	770	- - lost 1st November 1805 off Brazil, in the expedition to the Cape under Sir Home Popham.	- - cargo lost by this ship charged to His Majesty's Government.
Lady Burges	820	- - lost near the Cape de Verd Islands, on her voyage to Madras and Bengal, 20th April 1806.	19,158
Warren Hastings	1,200	- - taken by the French on her voyage from China, 21st June 1806.	104,051
Ganges	1,200	- - foundered off the Cape of Good Hope, on her voyage from China and Bombay, 29th May 1807.	126,614
Walpole	820	- - lost near Margate, homeward from Bengal, 18th December 1808, part of cargo saved.	3,235

Appendix VI.—SHIPS LOST OR CAPTURED—*continued.*

SHIPS' NAMES.	Tonnage.	WHEN AND WHERE LOST OR TAKEN.	Value of CARGOES Lost.
			£.
Lord Nelson - - -	819	- - supposed to have foundered between 20th and 23d November 1808, homeward from Bengal.	49,026
Britannia (Company's ship)	1,200	- - lost on the Goodwin Sands, on the voyage to Madras and China, 25th January 1809.	57,091
Admiral Gardner - -	813	- - ditto - - (to Madras and Bengal) - ditto - -	21,759
Calcutta - - - -	819	- - supposed to have foundered between 14th and 17th March 1809, homeward from Bengal and Madras.	124,452
Jane Duchess of Gordon -	820	- - ditto - - - - - - - ditto - - - -	86,089
Lady Jane Dundas - -	820	- - ditto - - - - - - - ditto - - - -	36,808
Bengal - - - -	818	- - ditto - - - - - - - from Bengal - - -	121,262
Asia - - - -	819	- - lost in the river Hooghly, 1st June 1809, from Madras	28,565
True Briton - - -	1,198	- - supposed to have foundered between Bombay and China, 29th September 1809.	22,300
United Kingdom, (Captain D'Esterre.)	820	- - taken by the French, outward-bound, 18th November 1809, on the voyage to Bengal.	2,194
Europe - - - -	819	- - taken 31st May 1809, homeward, but afterwards re-taken on the voyage from Bengal.	140,000
Streatham - - -	819	- - ditto - - - - - - - ditto - - - -	140,000
Windham - - -	820	- - taken outward-bound on her voyage to Bengal, 18th November 1809, but afterwards re-taken; again taken 3d July 1810, and re-taken at the capture of the Isle of France.	25,978
Charlton - - - -	818	- - taken by the French on her voyage to Bengal outward-bound, 18th November 1809, but re-taken at the capture of the Isle of France.	27,985
Ceylon - - -	818	- - taken by the French on her voyage to Madras and Bengal outward-bound, 3d July 1810, but re-taken at the capture of the Isle of France.	15,995
Earl Camden - - -	1,200	- - burnt at Bombay, 24th July 1810, outward - -	34,002
Ocean, (Captain Williamson)	1,200	- - lost in the China Seas on her passage from Bencoolen to China, September 1810.	21,202
Marquis Wellesley - -	818	- - lost in Bombay Harbour, 16th April 1813 - -	5,210
Earl Howe - -	876	- - lost in Bengal River, 1st August 1813, homeward -	3,622
Devonshire - - -	820	- - lost in Saugur Roads, 2d July 1814, on her voyage from Bengal to China.	26,988
Bengal - - - -	955	- - burnt at Point de Galle, homeward from Bengal, 16th January 1815.	87,738
Elphinstone - - -	1,274	- - burnt at Whampoa, 12th February 1817, (ten days after arrival from England.)	11,383
Cabalva - - - -	1,200	- - lost off the Isle of France, outward on her voyage to China, 7th July 1818.	149,570
Regent - - - -	916	- - lost near Manilla, outward-bound on the voyage to China, 1st November 1822.	117,375
Kent - - - -	1,332	- - burnt, outward-bound on her voyage to Bengal and China, 1st March 1825.	17,980
Royal George - - -	1,333	- - burnt at Canton, 24th December 1825, receiving homeward cargo.	39,216

East India House,
5th May 1830.

W. Raincock.

Appendix VI.—Ships Lost or Captured—*continued.*

SHIPS' NAMES.		Tonnage.	WHEN AND WHERE LOST OR TAKEN.	Value of CARGOES Lost.
Other Ships engaged by the Company.				£.
Boyd		400	- - captured, outward-bound on the voyage to Bengal, 8th January 1796.	17,060
Indian Trader		342	- - taken by the French, outward-bound on her voyage to Bengal, 1796.	- - no cargo on board.
Royal Charlotte		677	- - blown up in the Bengal River, 1696 (homeward cargo)	3,679
Neptune		368	- - burnt at the Cape of Good Hope, outward-bound, 1796, consigned to the Cape.	- - no cargo on board.
Prince Frederick		912	- - taken by the French, homeward bound from Bengal and Madras, 1797.	59,981
Thomas		439	- - ditto - - - - - - - ditto - - - -	39,088
Martha		406	- - lost in Bengal River on the 10th August 1797, going on an expedition.	- - no cargo on board.
Auspicious		404	- - burnt in Bengal 1797, consigned to Bengal - -	- - ditto.
Ann and Eliza	Engaged in India.	200	- - Lost between Bengal and the Cape, 1797 - -	- - engaged to take stores from Bengal to His Majesty's troops at the Cape; charged to His Majesty's Government.
Hercules	Engaged in India.	628	- - ditto - - - - - - - ditto - - -	- - ships engaged to bring rice from India; the loss of cargoes by these ships has been charged to His Majesty's Government.
Montrose	Engaged in India.	761	- - ditto - - - - - - - ditto - - -	
Favourite	Engaged in India.	900	- - captured, homeward-bound from Bengal, 1797 - -	
Amelia	Engaged in India.	1,000	- - ditto - - - - - - - ditto - - -	
Sylph		320	- - ditto - - - - - - - - from China - - -	32,542
Zephyr, engaged in India		286	- - ditto - - - - - - - - from Bengal - - -	2,554
Castor		467	- - stranded 15th February 1798, homeward bound from Bengal, part of cargo saved.	7,878
Edmund and George		343	- - captured, homeward-bound from Bengal, 1798 - -	6,100
Lion		762	- - condemned at the Cape of Good Hope, homeward from Bengal and Madras; cargo brought home by three whalers, 1798.	8,272
Friendship		305	- - stranded, homeward from Bengal and Madras, 1797, part of cargo saved.	4,928
Comet		529	- - taken by the French on her voyage to St. Helena and Bengal, 1st July 1803.	8,209
Culland's Grove		576	- - taken by the French on her voyage from Bencoolen homeward, 22d July 1803.	24,640
Admiral Aplin		558	- - taken by the French on her voyage to Madras and Bengal, 3d January 1804.	15,240
Althea, engaged in India		807	- - taken by the French, and carried into the Isle of France in 1804, homeward from Bengal.	6,698
Experiment		500	- - taken off the Cape, homeward, by the French fleet, 1805, from China	45,604
Coromandel		485	- - ditto - - - - - - - ditto - - - -	35,768
Fame		492	- - taken by the French on her voyage from Bombay to Bengal, 24th September 1806.	- - no cargo on board.
Skelton Castle		584	- - supposed to have been lost off the Cape of Good Hope on her voyage to Bengal in December 1806 - - -	8,429
Tellicherry		465	- - lost on a reef in the Mindora Seas, outward, July 1806, from New South Wales to China.	924
Travers		577	- - lost in Bengal River, outward, 7th November 1808 -	6,568

Appendix VI.—SHIPS LOST OR CAPTURED—*continued.*

SHIPS' NAMES.	Tonnage.	WHEN AND WHERE LOST OR TAKEN.	Value of CARGOES Lost.
			£.
Glory - - - -	502	- - supposed to have foundered between 20th and 23d November 1808, homeward from Bengal.	5,292
Experiment - - -	549	- - ditto - - - - - - - ditto - - - - -	5,292
Harriet - - - -	549	- - burnt at Calcutta, 14th October 1812, receiving homeward cargo.	2,635
Euphrates - - -	596	- - Lost off Ceylon, outward on her voyage to Bengal, 1st January 1813.	9,545
William Pitt - - -	572	- - lost off Algoa Bay, homeward from Batavia, 17th December 1813.	4,502
Fame - - - - -	430	- - burnt after leaving Bencoolen homeward, 2d February 1813.	15,446

East India House,
5th May 1830.

W. Raincock.

For the value of Cargoes lost,

Thos. G. Lloyd,
Acct Genl.

VII.—LEASING LANDS IN INDIA.

EXTRACTS from DOCUMENTS relative to the Permission granted to EUROPEANS to HOLD LANDS on LEASE in *India.*

EXTRACT of a LETTER from *Bengal,* dated 29th June 1826.

ON our proceedings of the annexed dates, is recorded our correspondence with the Board of Revenue in the Lower Provinces, relative to certain applications which had been received from individuals, for permission to hold Land for the formation of Coffee Plantations.

"Your Honourable Court will observe, that the Board were decided in their opinion, as to the expediency of encouraging the speculation; and, with reference to their sentiments regarding the fitness of the soil of India for the cultivation of Coffee (founded to a certain extent upon practical experience) the low rate, compared with the produce of other countries, at which it is expected that coffee the growth of our own provinces, may be brought into the market, the rapid extension of consumption, which this cheapness would induce; and the great national importance, both to *England* and *India*, of the creation, eventually probable, of a new article of export from the latter country;—we were disposed fully to concur with them. And the disposition to enter on such speculations being greatly influenced by the abundance of capital at the moment, which might not long continue, it appeared to be important to lose no time in sanctioning the proposed arrangement.

"We have accordingly, as your Honourable Court will perceive, embodied in the form of a Resolution, the rules under which respectable individuals, properly authorized to reside in India, shall be permitted to rent land for the cultivation of Coffee, it being indispensable, from the nature of the cultivation, that the grower should enjoy a lease of considerable length. By the provisions above referred to, we have we trust sufficiently provided for the protection of all interests connected with the soil or revenue; and we do not anticipate that any evils can possibly arise from the indulgence which we have deemed it expedient to show to the first adventurers in a new branch of agricultural and commercial speculation."

VII.
LEASING LANDS IN INDIA.

MINUTE of Mr. *Trower*, Member Board Revenue, Lower Provinces; dated 25th March 1823.

AFTER a deliberate consideration of the two applications transmitted by Government, for the consideration and report of the Board of Revenue for the Lower Provinces, relative to permission to hold lands for the cultivation of Coffee,—I am of opinion that one of them may without hesitation be complied with, as unobjectionable, and that the other at once be rejected.

It does not appear to me necessary, that in the event of the indulgence solicited being granted, any material alteration in the existing rules relative to Europeans holding lands in farm, or by purchase, should take place. By section 3, Reg. XXXVIII. of 1793, Europeans are prohibited from purchasing or renting lands out of Calcutta *without the sanction of the Governor General in Council*; and, in section 5 of the same Regulation, the rules to be observed when this sanction is granted, are laid down.

It is sufficient therefore for Government, on the present or in all future applications of this nature, to grant or refuse the indulgence solicited, without the necessity of a general revocation of existing rules, or of assigning any reasons for the decision they may think proper to pass.

It has been observed that the Indigo Planters have often fruitlessly prayed for this indulgence; and that there can be no doubt, that the encouragement of the cultivation of Indigo, (considering the question as a national advantage) would be attended with much more extensive advantages than can be expected from the cultivation of coffee. Without entering into the question of the comparative advantages to be derived from the cultivation of indigo and coffee, I shall observe that I do not think the cultivation of indigo would be benefited in any degree by the permission to Europeans to occupy lands as proprietors or farmers. Indigo so greatly impoverishes the soil (unless in lands subject to annual inundation) that the planters are compelled to seek new lands every second or third year. No indigo planter therefore would apply for permission to purchase lands, or to hold them on a long lease, for the exclusive purpose of cultivating indigo; and that they should hold them on any other grounds, and be placed on a footing with the natives, is, on many accounts, highly objectionable. It is a fact well known to every judge and collector in Bengal, that indigo planters are even now in the habit of compelling Ryots to receive advances for the cultivation of indigo, contrary to their interest and inclinations; and if this is now done whilst the planters have no authorized influence in the villages surrounding their factories, how much more would it be done when they became proprietors of the lands, or held them on long lease. I mention these circumstances in order to show that there are great objections to extending the indulgence under consideration to indigo planters, and that it is not necessary for the improvement or encouragement of the cultivation of the plant so to do; whilst, in regard to the cultivation of coffee, a long lease is absolutely necessary. The Coffee Plant is at least four years before it arrives at maturity, and it continues to flourish for a period of twenty years or more. It is therefore evident that the cultivation of coffee, through the agency of agreements with the Ryots, in the same manner that the indigo cultivation is carried on, could never be effected.

The attempt to introduce the cultivation of coffee in India, so as to render the produce equal in quality to that now brought into the Europe markets, requires ample funds and a certain degree of agricultural experience. It will be five or six years before its equality to that now used in Europe, can be decided on; and, if it proves inferior, the speculation would not I conceive be carried on; it must therefore at present be considered quite experimental; and under these circumstances I do not think it likely that numerous applications for similar indulgence will be made for some time to come, and even though they should, it rests with Government to grant or reject them.

It is observed in Mr. Secretary Mackenzie's Letter, that the object appears to be one of national importance, and that his Lordship in Council is naturally disposed to afford to those who shall first embark on the undertaking, every proper encouragement. On these grounds the application of Messrs. Wallick & Gordon, appears to me to be highly deserving of his Lordship's support, as embracing both pecuniary funds and agricultural experience, which may be considered essentially necessary to secure success. It is for permission to hold one thousand beegahs of land for a period of twenty years; and states that the preliminary arrangements in regard

to

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LEASING LANDS IN INDIA.

to rent have already been entered into with the proprietor; and appears to me in every respect unobjectionable. It is to be presumed that the application is for lands at present untenanted by Ryots, in which case no other rules would appear to be necessary than those already in force under section 5, Reg. XXXVIII of 1793. If, however, there should be Ryots residing on the land, and who have hitherto cultivated parts of it for their own use under pottahs held from the proprietor, I am of opinion, that Messrs. Wallick & Gordon should bind themselves by a heavy penalty, not to compel the Ryots to cultivate coffee in opposition to their wishes; and that all engagements entered into with Ryots should be registered, or copies deposited in the collectors office.

The application of Mr. Locke, should I think be rejected, as it solicits permission to purchase lands; if it had been for the farm of lands for a stated period, I think there would have been no objection to its meeting with his Lordship's favourable support.

(signed) *W. Trower.*

Revenue Board,
25th March 1823.

RESOLUTIONS of Government respecting the grant of Leases to Europeans, for the purpose of introducing the Coffee Plant.

AS far as a judgment can, in such a case, be formed, until trial be made, there appears to be abundant reason to conclude that the cultivation of Coffee may be successfully prosecuted in this country, on an extensive scale; and that thearticle may indeed be produced at a cost considerably below that which the lowest prices hitherto known in the market would amply reimburse; while at the same time there is scarcely anything of which the consumption is likely to experience so large an augmentation, in the event of any material alteration of price.

The extension of the Export trade of India is an object of the highest importance, both to England and to India; and the introduction of a new branch of trade, such as that in question may eventually become, would be a great national benefit. The speculation appears, therefore, to be one which is, in a high degree, worthy of the support of Government. From the nature of the case, it is indispensably necessary that those who undertake it, should have an assured tenure in the lands appropriated to the cultivation, for a considerable period of time; and although it is to be expected and desired that the natives will, before long, enter on the speculation, and be guided by the example set to them in the conduct of it, yet, to its early and successful introduction on a large scale, it appears to be essentially requisite to allow scope to European enterprize and intelligence.

The land required in each case will, it is probable, admit of easy demarcation; although, in the lower parts of Bengal at least, it may not be found practicable to procure a sufficient extent of suitable ground, without some intermixture of land applicable only to other purposes: and his Lordship in Council would hope, that little difficulty will be experienced in providing for the satisfactory adjustment of all claims, and the effectual protection of all rights, attaching to land to be used in the cultivation of coffee, or otherwise necessarily included within the limits of the plantation.

For this purpose, however, and especially for the protection of the Ryots, and the security of the real interests of the speculators, it appears to be necessary to prescribe some special rules to be observed, before any lands shall be occupied by Europeans; that the arrangements concluded by them with the owners and occupiers of land, should be certified by the collectors of the districts; and that the European planters should be held subject to the awards of those officers, in all matters touching the payment of rent, the adjustment of boundaries, and the like, with an appeal, of course, to the Board of Revenue.

It appears to be, for several reasons, desirable that the tenure of the European planters should be that of leaseholders, not that of proprietors of the land. As to the terms of the lease, it seems to be unnecessary to lay down, at present, any general rule.

With the above sentiments, his Lordship in Council is pleased to resolve, That Europeans of respectability, being persons of course duly licensed as to residence, shall be authorized to take leases of land for the cultivation of coffee, under the following Conditions and Restrictions:—

VII. LEASING LANDS IN INDIA.

PERSONS desirous of establishing Coffee Plantations shall, in the first instance, apply for the permission of Government to do so, stating the district in which they propose to have the establishment, and the quantity of land they wish to include in their plantations, and each of them: such applications to be submitted through the secretary to Government in the territorial department.

When permission is granted, the parties shall submit to the collector of the district a detailed statement of the lands which they desire to occupy, and of the terms which they may have settled with the owners and occupants, including every one whom they may know to possess an interest in the lands; this statement shall be in English, Persian, and Bengallee, if in Bengal; and in English, Persian, and Hindoostanee, if in Behar, or in the Western Provinces; and in English, Persian, and Orysa, if in Cuttack.

The collector shall cause to be published on the land desired to be taken, or in the nèarest haut or village, and shall likewise stick up in his cutchery, an istahar, notifying the contents of the application, and requiring all persons who may desire to submit any representation in the matter, to come forward in person, or, by vakeel, within the period of one month.

Any representations which may be made to the collector, in consequence of such notice, will be duly investigated by him, and the result recorded in a regular proceeding.

If the result of such investigation shall appear to him to render objectionable the establishment of the proposed coffee plantation, the collector shall report the circumstances to the Board of Revenue, and be guided by their instructions as to his further proceedings.

At the end of the period fixed in the isthahar, if there shall not appear to be any objection to a compliance with the application of the party, the collector shall either proceed himself to the spot, or shall depute the pergunnah canoongoe, or other ameen, to measure and mark off the land proposed to be appropriated as a coffee plantation, and to take from the several parties interested therein, the necessary deeds in favour of the planter, and from the planter the requisite engagements in favour of the parties.

When the whole is concluded, the collector shall submit his proceedings to the Board of Revenue, who, if satisfied that all claims have been duly attended to, and properly adjusted, will finally confirm the arrangement.

Persons licensed as above to hold lands, will of course be chargeable with all expenses attending the measurement and demarcation of the same, and the other necessary investigations.

Lands occupied by Khoodkasht Ryots, or other cultivators enjoying a hereditary right of occupancy, must not of course be transferred without the consent of those persons.

Where the rents may be receivable by a Talookdar, or other middleman coming between the Ryots and the Zemindar or Sudder Malgoozar, the right of the latter to object to the arrangement will depend on the nature of the intermediate tenure. But, in general, it is the desire of Government that no lands should be taken by Europeans, unless all parties possessing an interest in the soil, or in the rents, shall consent to the arrangement.

Europeans permitted to hold lands as above, must bind themselves to submit to the award of the collector of the district, subject only to appeal to the Board of Revenue, in all matters relating to any rent, or other consideration demanded from them on account of the land occupied by them, as well as in all disputes touching the possession of the lands, or any wells, water-courses, tanks, reservoirs, or the like.

The coffee plantation shall be liable to sale by the collector, in satisfaction of any award passed by him, if not otherwise satisfied, within such time as may be appointed by the Board of Revenue; to whom, in all cases requiring recourse to sale, a reference shall be made.

If any European, licensed to occupy land for a coffee plantation, shall violate the engagement into which he may enter; or shall usurp or violently disturb the possessions of his neighbours; or shall be otherwise guilty of any act in breach of the peace, the Governor General in Council reserves to himself the power of cancelling the license, and of directing the interest possessed by the offender in the plantation to be sold.

The Board of Revenue will be authorized to take such further security as they may deem necessary; but, in general, his Lordship in Council would presume, that the plantation itself will afford sufficient security. Parties who may suffer in

consequence

consequence of the annulment of a planter's license, will also have their remedy in a suit in court.

It will frequently, his Lordship in Council presumes, be necessary to include in the planter's possession, a certain quantity of land on which coffee cannot be grown, besides tanks and the like; and the plant requires the shelter of other shrubs or trees, which may at the same time be otherwise turned to profit: a certain latitude is therefore necessary; but the Board will see that it is not abused.

It will of course be the business of the collector to see that an adequate rent is paid for all Malgoozaree lands included in a coffee plantation; and the tenure will be secured from the operation of a public sale for arrears of revenue, under the provisions of section 31, Reg. II. of 1822.

When a lease may be taken from a subordinate Talookdar, the planter must take the precaution of making the superior holder or holders parties to his engagement, that he may be secure from the consequences of default on the part of the lessor.

Subject to the above provisions, his Lordship is pleased to authorize Dr. Wallick and Mr. Gordon to hold the land for which they applied. They will be referred to the Board and the Collector for the final adjustment.

Mr. Lock's application to purchase 1000 begahs of land, is deemed inadmissible.

Extract DESPATCH to *Bengal*, dated 10th September 1828.

"WE think with you, that there is sufficient ground for expecting beneficial results from encouraging the cultivation of Coffee in Bengal. As the rules you have established appear to us to provide for the protection of all interests connected with the soil or revenue, the measure has our full approbation."

Extract DESPATCH to *Bengal*, dated 8th July 1829.

"THE permission granted by you, in 1824, to certain Europeans to hold portions of land on lease for the purpose of making the experiment, whether Coffee could be advantageously cultivated in Bengal, cannot, and must not, be drawn into a precedent. The duration of the leases granted even for that purpose, we deemed unnecessarily long; but, as the quantity of land applied for was limited, and a doubtful experiment stood in need of peculiar encouragement, we, by our Letter of 10th September 1828, sanctioned the indulgence which you had thought expedient to grant. We also considered that the case of Coffee was peculiar; a considerable outlay being necessary to form the plantation, and a number of years elapsing before it yields any return. A certain length of tenure is required by these circumstances for the profitable cultivation of Coffee; but these circumstances do not exist with regard to Indigo. The cultivation of Indigo is annual; and a single year, or at most a few years, will indemnify the cultivator for the expense he has incurred. We observed, that at the time of granting the leases for the experimental cultivation of Coffee, a strong line of distinction was drawn, and very properly, by the officers of your Government, between the case of Indigo and that of Coffee. By the Minute of Mr. Trower, under date the 25th of March 1823, we see that the utility of any lease to the cultivator of indigo, was altogether denied.

"We direct that all the rules laid down, and all the securities provided by the Resolution of Government, dated 7th *May* 1824, shall be strictly observed in the case of every permission granted to an European to hold land on lease, for the purpose of cultivation.

"Under these securities, we do not object to your granting permission to Europeans to hold lands on lease in their own names, for the cultivation of indigo and other agricultural products.

"The length of the leases must in all cases be regulated with reference to the nature of the cultivation, and must not be greater than may be necessary to afford the undertaker the prospect of a fair remuneration for the capital he may expend. The leases must not in any case exceed the duration of twenty-one years, without a previous reference to us, and our express approbation.

"It is not less important, in the case of the transfer of leases, than in that of the original grant, that Government should be satisfied in regard to the respectability and good character of the individuals who are to hold them; and therefore the permission of Government must be rendered necessary to every transfer of a lease held by an European."

Revenue Department,
20th March 1830.

VIII.—COTTON AND TOBACCO.

VIII. COTTON AND TOBACCO.

PAPERS relating to the CULTIVATION of COTTON and TOBACCO, in The *East Indies.*

COPY of a LETTER from the Secretary to the Committee of Privy Council for Trade, to the Secretary to the Commissioners for the Affairs of India.

Office of Committee of Privy Council for Trade,
Whitehall, 26th July 1828.

SIR,

THE attention of this Committee has lately been called to the possibility of improving the culture, in the East Indies, of some articles which are now chiefly supplied by the United States of America, particularly of Cotton and Tobacco.

It has been represented to their Lordships that the cotton of India is inferior to that of Carolina, not through any inferiority in the soil in which it is grown, but through a defective mode of cultivation; and it is thought that this deficiency might be supplied by a judicious application of skill and capital.

The same representation is made as to Tobacco.

A slight encouragement is about to be extended to the cotton of India, by the reduction of the import duty upon cotton wool, from six per cent on the value to fourpence per cwt.; but if the Lords of this Committee are rightly informed, this encouragement will not be sufficient to occasion the necessary improvement of the cotton, unless measures be taken in India for applying skill and capital to the cultivation.

The peculiar system of administration which the legislature has sanctioned for British India, forbidding Europeans to settle in the country, prevents the operation of the encouragement ordinarily afforded by an extensive market and a favourable tariff.

But my Lords conceive that it may be quite consistent with the maintenance of that system, to extend facilities liberal in their character, but limited in their extent, to British subjects, who may be disposed to settle in the cotton districts, and whose character, property and knowledge, qualify them for the object required.

Their Lordships apprehend that the important article of indigo has flourished under encouragement of this nature.

Under these impressions, the Lords of this Committee direct me to request, that you will move the Commissioners for the Affairs of India to take these suggestions, as they regard both cotton and tobacco, into their consideration, and to communicate thereupon with the East India Company.

The Court of Directors cannot fail to admit the importance of the object, and it is hoped, that if they should not consider the suggestions of this Committee as pointing out the most advisable method, they will suggest some other method of obtaining it.

I am to add, that their Lordships are desirous of receiving the fullest information which the Commissioners may be able to afford them, of the present state of the culture and trade of cotton and tobacco in the East Indies.

I am, Sir,
Your most obedient humble servant,
Thomas Lack.

George Bankes, Esq.
&c. &c. &c.

VIII.
COTTON AND TOBACCO.

COPY of a LETTER from the Secretary to the India Board, to the Secretary to the Court of Directors of the East India Company.

SIR, India Board, August 2, 1828.

I AM directed by the Commissioners for the Affairs of India, to request that you will lay before the Court of Directors of the East India Company, the accompanying copy of a letter which has been addressed to the Board by the direction of the Committee of Privy Council for Trade.

The Board are desirous of being furnished with the sentiments of the Court, relative to their Lordships' suggestions as to the improvement of the Cotton and Tobacco of India; and also of receiving at the earliest possible period the information requested as to the present state of the culture of those articles.

I am, Sir,
Your most obedient and humble servant,
George Bankes.

Joseph Dart, Esq.

COPY of a LETTER from the Secretary to the Court of Directors of the East India Company, to the Secretary of the India Board.

SIR, East India House, 5 September 1828.

I HAVE had the honour of receiving and laying before the Court of Directors, your letter of the 2d ultimo, inclosing copy of a letter which had been addressed to the Commissioners for the Affairs of India, by the direction of the Committee of Privy Council for Trade, respecting a department of the agriculture and commerce of India, to which the Court of Directors attach equal importance with His Majesty's Commissioners and the Lords of the Committee of Privy Council.

I am directed in reply, to communicate to you the following observations:

There appear to be two points on which information is desired,—First, the sentiments of the Court relative to the expediency of extending facilities to British subjects who may be disposed to engage in the cultivation and improvement of the cotton and tobacco of India; it being conceived that the important article of indigo has flourished under encouragement of this nature. And, secondly, the present state of the culture and trade of cotton and tobacco in India.

1.—With respect to the first point I am directed to state, that the same encouragement on the part of Indian government is now afforded to the cultivation and trade of the articles in question, as to that of indigo, alluded to by the Lords of the Committee of Privy Council for Trade, land is granted to speculators in these articles on the same terms as to those in indigo, and a drawback of all duties is allowed on export to the United Kingdom.

2.—With respect to the second point, namely, the present state of the culture and trade in the two articles in question, I am directed to communicate to you the following particulars, viz.

MEMORANDUM on the present state of the Culture and Trade of Cotton and Tobacco in the East Indies.

The cotton shrub is indigenous throughout the peninsula of India, from Ceylon in the south, to the foot of the Hemalayah mountains in the north; and various kinds have long been known to the native cultivators, viz. annual, biennial, and cotton of several years duration; some kinds scarcely reach the height of one foot, others attain ten or twelve feet, and some a still greater height. The species which is most generally, indeed it may be said universally, in cultivation in India, is an annual shrub, a variety of the green seed kind, yielding a white pod; but even of this variety there are many sub-varieties, of some of which the wool is more easily separated from the seeds than of others. There are likewise cotton plants, with brown, yellow, ash-coloured, and iron-grey pods. Some of the species have black seeds, some green seeds, and there is cotton found with red seeds.

The introduction into India of new and better species, and of improved modes of preparing cotton for the European markets, has, at various times during the last thirty years, engaged the attention of the Court of Directors, and of the Indian governments, and also of the private residents; and the following kinds of foreign

VIII. COTTON AND TOBACCO.

cotton, and probably others, have become objects of experimental cultivation in various parts of India: viz.

Sea Island Cotton;
Barbadoes Cotton;
Brazil Cotton;
Bourbon Cotton, both of the green seed kind and the black seed varieties.

COTTON FROM CHINA.

It would be matter of gratification, if it could be said that success had attended these endeavours; but the native cultivators do not appear to have given any, or at most very little attention to the subject; and all the experiments on a scale of commercial speculation, which have been conducted by Europeans, have been confined to the Bourbon species, to which the Court of Directors, in consequence of representations of its superior quality and usefulness, gave particular encouragement, by importing into India a large supply of seed during several years; but the cultivation has been checked by an unlooked for difficulty, namely, that the consumption of cotton having a long silky staple, is very limited, and that the demand of the British or foreign manufacturer does not require, and consequently purchasers cannot be found for a large supply of Bourbon cotton.

The latest experiment for the introduction of foreign cotton known to the Court is that of the Marchioness of Hastings, who having procured from England in the year 1823, a new supply of seeds of the Brazil and Barbadoes cottons, cultivated the same under her own inspection at her ladyship's farm near Barrackpore, and distributed the seeds amongst the husbandmen in the neighbourhood. Part of the cotton thus raised from Brazil and Barbadoes seeds was delivered to the commercial residents at the Company's factories of Santipore and Hurripaul, for the purpose of being wrought up into muslins, some pieces of which are now in the Company's warehouse in London; but whether the natives have continued to cultivate the species of cotton thus placed within their immediate reach does not appear.

The delicate fabrics of Dacca were at all times manufactured entirely from the cotton of that district, which is the finest of all the cotton produced in India, and is probably the finest in the world; but the growth of this particular kind of Dacca cotton is limited to a space of about forty miles in length, by less than three in breadth, along the banks of the Megna, about twenty miles north of the sea. An attempt was made, in the years 1790 and 1791, to encourage the cultivation of this species of Dacca cotton in the other parts of Bengal; and the collectors of the revenue, with the residents at the commercial factories, were directed to distribute the seeds amongst the native cultivators; but the endeavour failed of success.

The Court of Directors are in possession of various reports from the Company's revenue and commercial servants and others, upon the culture and management of cotton in several parts of India, in which the times of sowing, gathering and other particulars are set forth with great attention to details, showing also the tenures of land. The information contained in these documents might be useful, if digested into an abstract, but it would require much time for the performance of such an abstract.

Bengal it is well known does not produce, and probably never did produce, a greater supply of cotton than is required for its internal consumption, and during the periods when the Company's investment of cotton manufactures for exportation to London was in its once large and flourishing state, and at the same time there was an active demand for the like goods by the French, Dutch and Danish merchants, the quantity of cotton grown in the Bengal provinces did not equal one eighth part of the quantity worked up there into piece goods, the necessary supply was imported from the Deckan, the Dooab, and various parts of the Mahratta country; and it appears that the value of the quantities of cotton which passed the then frontier Custom House of Manjee, at the confluence of the river Gogra with the Ganges, amounted in one particular year to a crore of rupees; but a great portion of this foreign cotton was exported from Calcutta by sea.

The treaty of the nabob vizier of the year 1801, and treaties with other native princes, have, however, transferred to the Company the sovereignty over some of the central provinces of India, which afford cotton in great abundance, and the supplies of cotton which arrive at Calcutta are now classed as British produce, very little cotton produced in countries beyond the present British frontier being

now

now imported into the Company's provinces.* The quality of the cotton however remains as hitherto; and as from its shortness of fibre it is not considered suitable to the purposes of the British manufacturer, it meets with little encouragement in Britain; and Indian cotton has for some time past been selling at a lower price in London than its original cost in Calcutta.

Besides the general defect of shortness of staple, Indian cotton is liable to objection on account of its not being sufficiently cleansed from the seeds, leaves and other matters, to remedy which, the Court of Directors obtained from America patterns of the most approved machines in use in Georgia and Carolina, for separating the wool of the cotton from its seeds; and they also in the year 1813, engaged the services of Mr. Bernard Metcalfe, a very respectable man, who had for some years carried on the business of a cleaner of cotton in Georgia; but this person, after residing in India some time, finding that his endeavours to induce the natives to use American machines were fruitless, gave up the employment, and retired from India altogether.

The following is the value of the Exports of Cotton from Calcutta by sea, for the years mentioned, viz:

COUNTRIES to which Exported.	1820/21.	1821/22.	1822/23.	1823/24.	1824/25.	1825/26.
	Sicca Rupees.	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*	*Sicca Rupees.*
United Kingdom -	7.16.157	3.54.962	2.88.486	4.51.021	5.01.779	4.76.169
France - - -	- - -	1.460	12.782	- - -	77.352	—
Sweden - - -	- - -	- - -	- - -	- - -	- - -	2.196
Sumatra - - -	2.435	12.334	12.583	- - -	- - -	1.271
Java - - -	782	3.976	13.137	6.362	—	—
Coromandel - -	- - -	4.566	—	—	—	—
Penang - - -	- - -	8.371	- - -	- - -	25.215	—
China - - -	37.21.507	30.38.642	9.17.992	18.90.185	26.23.989	25.77.494
Total - - S^a Rupees	44.40.881	34.24.311	12.44.980	23.47.568	32.28.335	30.57.130
Total Quantity, Maunds	2.78.319	2.39.131	95.244	1.58.829	2.51.205	2.36.141

* Value of Cotton imported into Calcutta, by land.

	Sicca Rupees.
1820/21:	
From Company's Territories - -	47. 88. 986
From beyond Frontier - - -	23. 367
Total imported - -	48. 12. 353
1821/2:	
From Company's Territories - -	44. 72. 161
From beyond Frontier - - -	1. 72. 337
Total imported - -	46. 44. 498
1822/3:	
From Company's Territories - -	26. 32. 485
From beyond Frontier - - -	2. 44. 038
Total imported - -	28. 76. 523
1823/4:	
From Company's Territories - -	17. 62. 904
From beyond Frontier - - -	3. 40. 461
Total imported - -	21. 03. 365
1824/5:	
From Company's Territories - -	42. 71. 368
From beyond Frontier - - -	2. 26. 630
Total imported - -	44. 97. 998
1825/6:	
From Company's Territories - -	23. 79. 224
From beyond Frontier - - -	5. 07. 968
Total imported - -	28. 87. 192

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COTTON AND TOBACCO.

FORT ST. GEORGE.

THE Cotton Trade of the Company's territories, under the presidency of Fort St. George, is next to be considered.

The Northern Circars, which extend about 500 miles along the coast of Coromandel from the River Kistnah to the borders of Cuttack, have from very early times been the seat of an important and extensive manufacture of cotton piece goods, of which the descriptions of calicoes known as Madras long cloths and salampores were the chief, and with Masulipatam dyed handkerchiefs and other kinds of goods for the African and West-India trade, have until lately been in great demand. Masulipatam goods have, however, for some years, been entirely superseded by the manufactures of Manchester and Glasgow, and in all appearance the Northern Circars will, at no distant period of time, be deprived of the manufacture of white calicoes also.

The cotton which is grown in the Northern Circars is neither abundant in quantity nor good in quality; the weavers have depended for a considerable part of the supply of their raw material upon the Mahratta countries to the westward, from which cheaper and better cotton was brought by persons termed Lombadies, who travelled down to the coast, at the proper season of the year, in large bodies, and took back salt, betel, copper and other merchandize in return.

As all the cotton which was brought from Berar, the Deckan and other countries of the interior, was conveyed by land, the Mahratta cotton was dearer at the seaports than the cotton which was carried to Calcutta by water; and it does not appear that cotton has at any time been an article of export by sea from the Northern Circars.

The districts to the southward and to the westward of Madras afford cotton of better staple than the Northern Circars, and the East India Company have had considerable factories for the provision of long cloths and salampores in the territories to the southward of the Presidency; but the crops of these southern provinces being much subject to the casualty of uncertain seasons, the price of the cotton has been thereby enhanced, and the goods were dearer than those of the northern districts. The calicoes of the southern division of the Indian peninsula were early supplanted in the European market by British manufactures.

Endeavours to establish the cultivation of superior kinds of cotton in the southern division of the Madras territories have been long in course of progress. Bourbon cotton and Brazil cotton have been cultivated by the Company's servants and by private residents, and it is understood the cultivation of Bourbon cotton from seed originally imported by the Company, is still carried on to some extent by a private resident at Tinnevelly. The person before noticed, as sent by the Court to introduce the American method of cleaning cotton, resided in these districts.

The districts of Canara and Malabar on the western coast of India constitute part of the Madras presidency; and there is some trade in cotton between the province of Canara and Bombay, but the cotton exported is not the produce of Canara, but of the countries above the Ghauts.

The East India Company continue at present to maintain factories in the southern division of the Peninsula, where cotton is provided chiefly for exportation to China on the Company's Europe ships, which touch at Madras on their outward voyage from England; except which, the export trade of cotton from the Presidency of Madras to foreign places is not considerable, as the following Statement shows;

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COTTON AND TOBACCO.

AN ACCOUNT of the Value of COTTON exported by Sea from the Territories under the Government of Fort *St. George*.

Places to which Exported.	1824/5.	1825/6.	1826/7.
	Madras Rupees.	*Madras Rupees.*	*Madras Rupees.*
To the United Kingdom -	105.697	118.691	49.535
— France - - -	33.600	18.348	—
— Bengal - - -	62	- - -	1.462
— Bombay - -	110.921	474.155	114.258
— Ceylon - - -	- - -	136	20
— Maldives - -	1.421	1.089	1.071
— Travancore - -	236	18.052	14.027
— Sumatra - -	4.240	- - -	4.000
— Malacca - -	175	180	540
— Arabia - - -	- - -	958	—
— Mauritius - -	- - -	- - -	2.080
— Halifax - -	- - -	60	—
— China - - -	830.108	558.225	529.691
Total Value - Madras R^s	10.86.460	11.89.894	7.16.684
Total Quantites - - Cwts.	44.287	59.030	40.410

In respect of the trade in cotton at the Island of Ceylon, if any such exist, information will no doubt be found at His Majesty's Colonial Department.

BOMBAY.

THE soil of the northern and north-eastern districts under the government of Bombay, and especially of the province of Guzerat, is equal in richness and fertility to any in the world, and these countries produce cotton more abundantly than any other part of the British dominions in India, the provinces in the Dooab of the Jumna and Ganges excepted; but the quality of the Surat cotton, by which general name this produce is known, is, in common with all other Indian cotton, of a short staple, and therefore not suitable to the British manufacturers.

Many endeavours have been made by European residents, chiefly the servants of the Company, for the amelioration of the cotton grown in the Bombay territories; land has been granted for that purpose, and every necessary assistance appears to have been afforded by government, but the attempts at improvement have been confined to the introduction of Bourbon cotton only, and have not been attended with success. No quantity of improved cotton has been sent to England from this side of India, and if the preceding observations as to the absence of demand for cotton of a long silky fibre be well founded, it cannot be expedient to extend the cultivation of this particular kind in any part of India.

The Company's botanic garden at Calcutta is probably capable of furnishing experimental cultivators with different varieties of the best cotton plants, and considering the general opinion which is entertained of the peculiar fitness of the Bombay territories for the cultivation of cotton, it would seem to be highly desirable that other kinds than the Bourbon should be tried upon the western side of India.

The port of Bombay is the general emporium of all the cotton produced on the western side of India, and for much that is grown in the interior.

If the cotton exported by the Company from Bombay to China, in the year 1825/6, be added to the general quantities exported, as shown in the subjoined account, the total export of cotton from Bombay in that year (being the latest of which the accounts are received in London) would be found to have exceeded sixty millions of pounds, and the total of the exports of cotton from British India in the same year must have been little or nothing short of an hundred millions of pounds weight.

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AN ACCOUNT showing the Value of COTTON exported by Sea, from the Presidency of *Bombay*, exclusive of Cotton exported by the East India Company.

PLACES To which Exported.	1820/21.	1821/22.	1822/23.	1823/24.	1824/25.	1825/26.
	Bombay Rup.	*Bombay Rup.*	*Bombay Rup.*	*Bombay Rup.*	*Bombay Rup.*	*Bombay Rup.*
United Kingdom -	3.33.588	8.40.586	24.10.219	20.56.372	34.81.089	44.63.603
France - - -	- - -	- - -	- - -	- - -	- - -	36.195
Bengal - - -	- - -	- - -	17.000	1.15.939	36.660	—
Coromandel - -	- - -	100	7.125	—	—	—
Malabar and Canara -	28.530	1.06.980	70.391	1.11.799	45.669	41.571
Goa and Concan -	14.000	33.184	3.840	- - -	400	—
Cutch and Sind - -	58.321	9.000	15.900	150	34.235	740
Persian Gulph - -	26.565	18.365	12.150	18.097	7.400	15.205
Arabian Gulph - -	2.80.677	3.45.485	2.02.941	1.09.488	1.49.827	93.610
Coast of Africa - -	1.225	5.800	15.191	12.950	8.280	12.805
Penang, &c. - -	57.150	1.53.800	29.250	84.740	1.37.940	30.875
Manilla - - -	- - -	- - -	- - -	- - -	- - -	7.600
China - - -	44.89.062	32.36.019	30 07.096	36.83 338	53.72.775	72.88.149
Total, Bombay Rupees	52.89.118	47.49.319	57.91.103	61.92.873	92.74.275	1.19.90.353

The Quantities are not reported.

INDIAN TOBACCO.

TOBACCO is cultivated in every part of Hindostan. The general opinion is, that it is a plant of comparatively modern introduction into India; the practice of smoking hemp leaves and other intoxicating drugs is however very ancient.

The tobacco grown in the Mahratta territories is the most esteemed, in particular that which is produced near Bilsea, a town in Malwa. Bengal does not yield good tobacco; but the Company's territories in the Guzerat, being principally of a rich black soil, are considered to be eminently suitable to its cultivation.

Small quantities of tobacco have not unfrequently been brought from India as specimens. About ten years ago some private merchants transmitted from Bombay a regular consignment of about 20,000lbs. weight of Guzerat tobacco, but the result was unfavourable, and it has not been repeated.

. The Bombay government in the year 1823, sent to the Court about 80lbs. of tobacco, the produce of the district of Pelland, under the collectorate of Kaira, which they represented to be of a very superior description, and the staple produce of that pergunnah. This tobacco was of two kinds; the price paid to the cultivator for one of which seems to have been about three halfpence per lb., and for the other, one penny per lb., exclusive of any charge for management, packing or transportation to the presidency.

This tobacco was delivered to Messrs. Taddy & Co. eminent tobacconists in London, with a request that they would carefully ascertain its quality. Messrs. Taddy & Co. manufactured it into cheroots, snuff, and cut or smoking tobacco, which they returned to the Court of Directors, expressing their regret that they could not hold out any expectation of its being an article of advantageous commerce at that time, particularly from the very low price of American tobacco, and from the superior colour of the Turkey tobacco, which the Guzerat tobacco very much resembled in quality and flavour; and that unless it could be brought of a very fine gold colour, it could not sell for more than twopence per lb. and that for exportation.

Messrs. Taddy & Co. furnished the Court with a paper of information, and also with specimens of Turkey and American tobacco, which with part of the Kaira tobacco, manufactured by Messrs. Taddy & Co. as above, were transmitted by the Court to Bombay.

On

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On their arrival at Bombay, the Governor in Council forwarded the specimens to the collector of Kaira, who forthwith proceeded to obtain other samples, in the provision of which the collector notices (in a letter dated 29th April 1826), that more care was bestowed than was usual in growing tobacco for general exportation; that if the colour and flavour of it should be suited to the European market, and it proved an article worth exporting to England, further improvement in its quality could, by additional attention to its culture, be effected; and that he considered these specimens superior to the specimens sent to the Court in 1823, particularly in point of colour. The cost of this tobacco was not sent to Court.

These specimens were, with the like request as on the former occasion, delivered to Messrs. Taddy & Co. who reported that they considered the quality superior to that of 1823, but from the nature of the tobacco being full of oil, it required to be packed up still drier, and rather loose, as in Turkey; that they could not hold out any encouragement as regards the consumption in this country, but as a fair trial, recommended the importation of about one hundred bales, to be sold at the Company's sales.

The Court requested Messrs. Taddy & Co. would proceed to manufacture the tobacco in various ways, and report their further opinion thereupon, with which Messrs. Taddy & Co. complied, and reported that it was not fit for cut tobacco, which is the article of principal consumption * in this country, and that it would not answer for cheroots, being a different leaf from that used in India for the manufacture of them; that it appeared to answer better for snuff, but the consumption would never make it answer as an article of commerce.

The matter at present rests in this stage, but the Court will probably resume the consideration very soon.

I have the honour to be, Sir,
Your most obedient humble servant,

George Bankes, Esq.
&c. &c.

A. Dart, Sec^{r}.

COPY of a LETTER from the Secretary of the India Board, to the Secretary of the Board of Trade.

SIR, India Board, 22d September 1828.

THE Commissioners for the Affairs of India, in compliance with the request of the Lords of Privy Council for Trade, as intimated by your letter of the 26th of July last, have directed their attention to the suggestion of the Lords of Privy Council for Trade, regarding the possibility of improving the culture in the East Indies of Cotton and Tobacco.

In pursuance of directions from the Commissioners for the Affairs of India, a copy of your letter of the 26th July, was by me transmitted to the Court of Directors, accompanied by a request, that every information which it might be in the power of the Court of Directors to communicate on the subject therein referred to, should be furnished at the earliest possible period.

I am now directed by the Commissioners for the Affairs of India, to transmit to you for the purpose of being laid before the Committee of Privy Council for Trade, the copy of a letter from Mr. Dart, dated 5th instant, being in reply to that which I had the honour to address to him, when enclosing a copy of your letter on the occasion above referred to.

I am, Sir,
Your most obedient humble servant,

Thomas Lack, Esq.

George Bankes.

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* The price in London at this time of *a whole cargo* of Virginia tobacco is 2*d.* per lb. or 2$\frac{1}{2}$*d.* per lb.

VIII. COTTON AND TOBACCO.

COPY of a LETTER from the President of the India Board, to the Chairman and Deputy Chairman of the East India Company.

GENTLEMEN, India Board, October 7, 1828.

I HAVE considered with much attention the letter of Mr. Dart to Mr. Bankes, dated the 5th ultimo, respecting the culture of Cotton and Tobacco in the East Indies.

I know you must be strongly impressed with a sense of the great importance of improving the cotton grown in the East Indies, of extending thereby the export trade of the territories of the East India Company, and of rendering this country independent of foreign nations, for the supply of the raw material of our most considerable manufacture; and I am therefore satisfied that you will give your favourable consideration to the suggestions I am about to offer to you on this subject.

It appears undoubtedly that measures have been taken at different times by the East India Company, for introducing into India the culture of various sorts of foreign cotton; and it seems that on one occasion a gentleman conversant with the cleaning of cotton in Georgia, was engaged by the East India Company, for the purpose of giving instructions in the use of the American machines for separating the wool of the cotton from its seeds; but that the attempts hitherto made for the improvement of the culture and management of cotton have not been successful. It does not appear, however, that experiments have been made in many different parts of India, for the purpose of ascertaining whether in some districts of that vast country in which the cotton plant is indigenous, it may not be possible to raise some of the superior sorts of foreign cotton. Experiments made in the botanical garden of Calcutta, where cotton plants from different soils and climates are cultivated in the same soil and in the same climate, must necessarily be productive of no satisfactory result.

I must therefore suggest to you the expediency of attempting, on a small scale, the cultivation of all the finer sorts of foreign cotton in different and distant parts of India, under every different circumstance of soil and climate; and of transmitting to England, cleaning in the American manner, and with every precaution to protect them from the weather, samples of the cotton so raised, for the purpose of comparison with the cottons of other countries.

As it is understood that the value of cotton depends very much upon the care with which it is cleaned, and on its being protected from the weather, it is deserving of your consideration whether it may not be advisable for the East India Company to receive a portion of the land-tax in cotton at a fair valuation, and to manage on its own account the cleaning of the cotton so received, and its transport to the place of shipment. Should it be found practicable to raise in India any of the superior sorts of cotton, it would be for the interest of the East India Company to encourage the culture of such cotton, by taking it at a higher valuation in the payment of the land-tax.

I cannot entertain a doubt of the disposition of the East India Company to permit the residence in the interior of India, of British merchants, who may be willing to employ their knowledge and their capital, in the culture of an article, of which the production in any quantity of a superior quality, would conduce in so great a degree to the interests, not only of the East India Company, but of this country.

I trust that you will persevere in your endeavour to produce a species of Tobacco suitable to the British market.

I have the honour to be, Gentlemen,
Your most obedient and humble servant,

The Chairman and Deputy Chairman
of the East India Company.

Ellenborough.

VIII.
COTTON AND TOBACCO.

Oct. 7th.

COPY of a LETTER from the Secretary to the India Board, to the Secretary of the Board of Trade.

SIR, India Board, October 16th, 1828.

IN reference to your letter of the 26th of July last, I have received the directions of the Commissioners for the Affairs of India, to transmit to you, for the information of the Lords of the Committee for Trade, the enclosed copy of a letter which has been addressed by the President of this Board to the Chairman and Deputy Chairman of the East India Company, on the subject of the culture of Cotton and Tobacco in the East Indies.

I am Sir,
Your most obedient and humble servant,

Thomas Lack, esq. *George Bankes.*

COPY of a DESPATCH from the Court of Directors of the East India Company, to the Governor in Council at Bombay, dated 18th February 1829.

1.—DURING many years past we have been strongly impressed with a sense of the great importance of improving the quality of the Cotton grown in India, and have directed our attention to the introduction of new and better species of cotton, with the view of rendering the produce of British India fit for the general consumption of the manufactures of Great Britain; and it would have been matter of great satisfaction if our endeavours had been attended with success.

2.—This failure has not been owing to want of co-operation on the part of our Governments, supplies of cotton seed having been imported into India, and land granted to Europeans for experimental cultivation; but the experiments upon a scale of commercial usefulness have been confined to the Bourbon species; and the cultivation of this kind which we understand is of the black seed description, and yields a longer staple than any other kind of cotton, has been checked by the unexpected difficulty of finding a market for the increasing supply of long and silky cotton; as to the former supply of this cotton, there has been added since the year 1823, the growth in Egypt to a considerable extent, and of other places, which has produced an important change in the relative value of the green seed and black seed kinds, and at the present time the stock of black seed cotton on hand bears a much larger proportion to the consumption than the green American descriptions.

3.—The native cultivators do not appear to have given any, or at best very little attention to the improvement of their cotton; on the contrary, limiting our present observations to the produce of your presidency, the late consignments of cotton to England are represented to be almost entirely deficient of every property which is esteemed by the British manufacturer, insomuch that many persons who were previously in the habit of using Surat cotton, have discontinued their purchases, and it is only from very great improvement that they can be expected to return to its use.

4.—The course of public affairs at the present time has caused us to direct our attention in an especial manner to this subject, and to look to India for the means of rendering Great Britain independent of foreign countries for a considerable portion of a raw material, upon which her most valuable manufacture depends; the effecting of which would also lead to another not less important object, namely, that at the same time as it would add to the agricultural resources of our extensive possessions, it would also facilitate the remittance of the annually increasing political and commercial debt for which India becomes liable to the mother country.

5.—We are informed that at least three-fourths of the cotton which is manufactured in Britain is the produce of Georgia and New Orleans in the United States of America, being known in mercantile language as Georgia Upland Cotton and New Orleans Cotton, and is exclusively the wool of the species of cotton which produces a green seed; and we are further informed, which is exceedingly material in the present consideration, that the Bombay cottons, particularly those of the growth of the districts near Surat and Broach, are little or nothing inferior to the Upland American description above named, the item of cleanness alone excepted, and that such Indian cotton might readily be brought into competition with the Upland American. We are aware that it has been stated in a letter in your commercial department that the seed of the cotton which is cultivated near Surat is black, but as the cotton usually grown throughout India is almost universally of the

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green seed species, and we find that the seeds which are very commonly intermixed with the cotton imported into London from Bombay are also green; we think it probable that your information may not have been correct on this point; but whether the seed of the Surat cotton be green or black is of secondary importance, as the produce which it yields, when carefully prepared, is much esteemed in the British market.

6.—Assuming that the quality and condition of the Surat cotton shall become equal to that of the common Upland American cotton, the next question that presents itself is the rate of cost at which it can be produced. The price of American cotton delivered at New York, has been lately at ten cents, or 5*d.* sterling per lb., and that cotton now sells in London at from 6*d.* to 6½*d.* per lb.; but both the rate of cost at New York and the selling price in London, are considered to be uncommonly low. The produce of cotton in the year 1827 having exceeded the general demand, and the importations into Great Britain of the year 1828, although much short of the preceding year's supply, have been very ample. The price at the place of growth of the Broach cotton, which was exported to China, per Hythe, on the Company's account in the year 1826/27, appears by the invoice to have been 120 rupees per Surat candy, including factory charges, which at the rate of exchange of 2*s.* sterling the rupee, gives the cost 3¼*d.* per lb., to which being added the expense of transportation to the Presidency, and packing for Europe, amounting to ten or fifteen per cent more, gives a price of at least 4*d.* per lb. for inferior cotton deliverable at Bombay, and worth in London at the present time not more than 4½*d.* per lb., against good cotton deliverable at New York at the cost price of 5*d.* per lb. and selling in London for 6½*d.* per lb.

7.—A slight encouragement has been extended by Parliament during the last session (9 Geo. 4, c. 76) to the cotton in India, (in common with that of other British possessions) by the reduction of the import duty from its former rate of six per cent on the value, to a fixed rate of 4*d.* per cwt., so that the quantity of cotton in a Surat bale, will pay a consumption duty of about 1*s.* 2*d.*, whereas the same quantity of Upland American cotton pays about 12*s.*; and as we think it may be reasonably supposed that the present exceedingly low prices of cotton wool of all kinds may not be permanent, the recent alteration in the consumption duty will operate in favour of Indian cotton, in an increased ratio as the general prices of cotton may increase; but it must be evident from what we have above said, that this parliamentary encouragement will not be sufficient to introduce Indian cotton into general use in the home market, unless measures shall be taken in India for applying greater skill as well as capital to its cultivation.

8.—Experience has convinced us, that the improved cultivation of Indian cotton, so as to render it fit for the British market, will not be effected merely by the countenance and occasional encouragement of Government, we have therefore resolved that an experimental plantation for cotton shall be established at the expense of the State, within the territories under your authority. The manner of carrying this into operation, we are disposed to commit entirely to your judgment and local knowledge. It appears however, that it will be advisable in the first instance, that a piece of ground either in the possession of Government or to be hired for the purpose, should be selected in the most suitable place that can be found, say to the extent of perhaps 200 English acres; and that a person either native or European, of competent skill in this branch of agriculture, should be entrusted with its management, at a moderate monthly salary, under the general superintendence of the collector of the district, or the magistrate, or the commercial resident, as you may appoint.

9.—The first object to be attempted, should be careful cultivation of cotton raised from seed of the best of the indigenous plants of India, such as the bhyratta copass, of Bengal, (for a supply of which, you will make application to our Governor-General in Council,) or the best kinds at present grown about Surat or Broach, which will give sufficient employment for the first season; and before a second season shall arrive, we will endeavour to furnish you with a supply of green seed, from Georgia and New Orleans, which you will afterwards cultivate exclusively, or in addition to the native kinds, as experience shall render adviseable.

10.—You will issue instructions for furnishing the necessary funds from the territorial department, and keep us fully advised of your proceedings herein. The Cotton which may be grown upon this plantation you will consign to London, with a proper mark of distinction.

11.—We

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11.—We have before shown, that the cleaning of the cotton from its seeds and impurities, is a point of nearly equal importance with that of improving its *staple*. Upon a former occasion, we transmitted to India machines for cleansing cotton, of the best construction at that time in use in the United States of America; and we also engaged the services of a person, who had long resided in Georgia, and was skilled in the use of them, but the object failed of success. We understand that the excellent condition* in which American cotton is now brought to market, is owing to the almost exclusive use of a machine of more modern invention, called Whitney's Saw-Gin, which is represented to be so simple in its construction and so easily worked that the cleaning of the cotton which was formerly performed by separate tradesmen, is confided to the management of slaves. We shall supply you with a number of Whitney's saw-gins as soon as they can be procured.

12.—Although it is our desire that your attention should be chiefly given to the improvement of the native cotton which we have particularly specified, and to the introduction of the Upland American cotton, we see it right to suggest to you the expediency of further attempting on a small scale, in different parts of the territories under your Government, the cultivation of all the finer sorts of foreign cottons, in different situations as to soil, and particularly in districts bordering on the sea coasts.

13.—We shall endeavour to procure various kinds of cotton seed, and transmit them to you for this purpose.

14.—After what has been stated in the preceding paragraphs, it cannot be necessary to go into any lengthened course of observation to impress upon our Governor in Council, the importance of the object of our present despatch; and we confidently rely upon your zealous co-operation in carrying into immediate effect the experimental measure which we have directed you to institute on the part of the Company.

15.—It will still be expedient that the native growers of cotton should be incited to the improvement of its cultivation, and particularly to the rendering it more merchantable by careful cleaning; to which end you will give publicity to your undertaking, and distribute the seed gratis, or at a low price, as you shall see right; and also award premiums or other encouragement to such natives as may exhibit the most approved specimens, not less in quantity than five Surat candies, whether grown from the seed supplied to them from the Government farm, or from seed of the indigenous sorts.

16.—At the same time it appears desirable to obtain the advantage of the application of European skill and industry to the attainment of the object in view; to which end you are authorized to grant to British subjects (resident in India under due authority), properly qualified by character and by command of capital, a sufficient quantity of government land for the establishment of a cotton plantation; the land to be secured to the parties on lease at a low rent for a term of years, on the condition of its being used for the cultivation of cotton; and in the event of difficulty occurring as to government lands of a proper description and in suitable situations, permission may be granted to such British subjects to enter into engagements under the usual limitations with native proprietors, for land to be applied to the like purpose.

COPY of a DESPATCH from the Court of Directors of the East India Company, to the Governor General in Council at Bengal, dated July 8th, 1829.

1.—YOU will have observed in our letter in this department to the Presidency of Bombay, under date the 18th February last, that the course of public affairs at the present time, has caused us to direct our attention, in an especial manner, to the great importance of improving the cotton grown in India, and also to the introduction of the seed of new and better species, together with the best machines for cleaning cotton from its seeds and impurities, with the view of rendering the produce of our territorial possessions fit for the general consumption of the manufactures of Great Britain.

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* The American cotton is not only free from any admixture of seeds, but is also divested in the most complete manner of broken fragments of the pods and other extraneous matters, as well as of discoloured and damaged heads; Indian cotton, on the contrary, is greatly mixed with both. Samples of several kinds of cotton, with the current selling prices in London at this time, are sent in the packet, together with a list of the same.

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Britain. Extract of our letter to Bombay is sent in the present packet for more immediate reference, as also extract of our letter to Bombay in the commercial department, dated 3d June, upon the same subject.

2.—We are in daily expectation of the arrival in London of the cotton seed noticed in our letter to Bombay, and also of a supply of machines for cleaning cotton; and it is our intention to send to your Presidency a portion of the cotton seed, together with one or two of the machines.

3.—We advise you at this time of the intended consignment, in order that you may issue such preliminary instructions as to you shall seem proper for selecting a favourable situation or situations for instituting, upon the arrival of the seeds, an experimental cultivation of cotton upon a small scale; and we doubt not of your zealous co-operation in carrying this object into successful effect.

4.—We have perused the papers laid before you by Mr. Assistant Surgeon Henderson, commencing 4th October 1825, and the subsequent correspondence with the Board of Trade thereupon, respecting the cultivation of Alighur of cotton, which had been some years previously raised from American seeds of a casual importation into India. We observe, with concern, that this attempt has failed, as the Board of Trade, after advising with persons able to form a competent judgment of its quality, have, in their report of 4th August 1826, pronounced it to be inferior to the common cotton of the country.

5.—We have submitted the three samples of Mr. Henderson's cotton, received per Minerva in 1828, to the inspection of an experienced dealer, who reports that two of the samples appear to have been produced from North American Upland seed; but are not superior in value to middling Bengal cotton. The third sample, from which the seed has not been separated, appears to possess a longer staple; but so little of the wool remains upon the seeds, that it is difficult to form a full opinion; and cotton in such a state would be of no marketable value here.

6.—We take the present opportunity of adverting to the specimens of cotton produced in the Tenasserim provinces, noticed in your letter in the Secret Department, dated 29th December 1826. The specimens in question, which were received per Princess Charlotte of Wales in 1828, are considered to be superior to any cotton that has been imported from Bengal, and if in a perfect condition, would rank in the London market with very good Surat cotton, and middling North American Upland: but it is remarked, that this cotton, although not sufficiently divested of the seed, has nevertheless been somewhat injured in its staple by the process of cleaning to which it has been subjected. It is desirable that a supply of cotton seed should be obtained (if not already done) from the Tenasserim coast for cultivation in our possessions in the Peninsula of India, and particularly in the maritime districts.

7.—Tobacco is another article of commerce, the consumption of which is very great, and although it is believed not to be an indigenous production of India, it is nevertheless in general cultivation there. Occasional small consignments of tobacco have been made to Europe by the Company and by individuals, but without success, arising from the cheapness of American tobacco, and the higher cost and inferior quality of the Indian.

8.—In the year 1824, our Bombay Government sent to London a sample of Kaira tobacco, which we entrusted to the management of persons eminent in that business, but the result was unfavourable. Part of this tobacco, manufactured in various ways, was sent back to Bombay, with specimens of approved kinds of American and Turkey tobacco; and in 1827, our Bombay Government sent us a further parcel of Kaira tobacco, prepared with greater care than the former. This has been delivered to the same manufacturer, whose report admits it to be superior to the former parcel, but still objectionable and unfit for the British market.

9.—The difference between the freight of ships from India and from America will perhaps be a permanent obstacle to the general importation of Indian tobacco into Europe, unless it can be overcome by superiority of quality; but even if a market cannot be opened in Europe for the Indian tobacco, an improvement in the article for the internal consumption of India is a very desirable object.

10.—Under this view we have taken measures for procuring supplies of tobacco seed from Virginia and Maryland, a portion of which will be sent to you, with the cotton seeds mentioned in the preceding paragraphs.

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COPY of a DESPATCH from the Court of Directors of the East India Company to the Governor in Council at Bombay, dated November 4th, 1829.

OUR Letters noticed in the margin have acquainted you with the measures we were taking for obtaining from the United States of America various kinds of cotton seeds, as well as the most approved machines used in the southern states of North America for cleaning cotton wool from its seeds and impurities.

2.—We have received the first supply of American cotton seeds which have been drawn from the crop of the year 1828. This supply comprises seeds of the species known as Upland Georgia cotton, and seeds of the cotton of Louisiana, known in commerce as New Orleans cotton, both being of the description called by the planters, "Green Seed Cotton," the wool of which adheres to the seed with a considerable degree of tenacity, fully as much as in the common cotton of India. These are the kinds of American cotton which are most extensively used by the manufacturers of Britain. We also transmit a supply of the seeds of Sea Island cotton (which are black,) the wool of which is much esteemed for the fineness and length of its fibre.

3.—We have likewise received six of the machines for cleaning cotton, called Whitney's Saw-Gins, two of which we shall transmit to your Presidency with the cotton seeds. We have desired our agent to send us a description of the method of using the saw-gins in North America, and you shall be furnished with a copy as soon as it comes to hand. It is sufficiently clear, from an inspection of the machine, that it is put into motion by manual labour, by means of a wheel and winch with a revolving strap upon the small pulley wheel that forms part of the machine itself, as shown in a sketch drawing which will be found in the packet. The large wheel or first motion is very simple, upon which account, we suppose, it has not been transmitted to us from America with the machines. A wheel of this kind can however be readily constructed in India.

4.—We have caused a trial to be made in our presence, of the working of the saw-gin, upon a small quantity of Indian cotton happening to be in our warehouses, which had been very imperfectly if at all divested of its seeds; and although this experiment was made under the disadvantage of the cotton being old, very dry, and much pressed together, the result seemed entirely to establish the merit of the invention.

5.—The Whitney machine which it is our desire to introduce into India has been noticed in the Parliamentary papers of the year 1828, in a report of an American Committee of Commerce, where it is said to be "so simple in its construction and so easily worked and managed, that the negroes in the Southern States are employed to work it;" we cannot therefore entertain any doubt of the saw-gins being suitable to the process of cleaning cotton by the natives of India. We also conclude that the Indian workmen will be competent to fabricate such machines for general use; but in order to facilitate the bringing them into practice without loss of time, it is our intention to send you some separate sets of the circular saws, which are of iron, (not steel) as the only part of the machine, in the making of which there can be difficulty. These detached saws will also be useful as patterns for the native smiths; for the guidance of whom we propose also to send a complete set of all the other parts of the machine which are of metal.

6.—You will receive with the beforementioned articles a small quantity of cotton seed of the growth of Demarara in South America, which although it is not unknown in India, we are desirous should be planted as a renewed experiment. It is of the black seed kind, like the Sea Island, of which the wool readily parts from the seeds, and probably will not require the application of a saw-gin. This kind of cotton is cultivated with great success in the Brazils.

7.—We shall also send a case containing twenty-five pounds of Maryland tobacco seed, and another case containing two pounds of Virginia tobacco seed, which we are informed will be sufficient for cultivation on a large scale, and it may therefore be tried experimentally in a variety of situations.

8.—We take the present opportunity of adverting to the specimens of Guzerat tobacco, the growth of the country in the vicinity of Kaira, which you consigned to us by the ship Pyramus in the year 1827. We delivered this tobacco to Messrs. Taddy & Co. the manufacturers who had on a former occasion examined and reported upon an experimental consignment of tobacco from your Presidency of the year 1823, the unfavourable result of which, with samples of the produce, and also

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of Turkey and American tobacco, were transmitted with our letter in the Commercial Department of 2d of February 1825.

9.—Your consignment of tobacco by the Pyramus has been manufactured in various ways by the same persons, and although the quality was pronounced superior to that of your consignment of the year 1823, we did not, considering the very low price of American tobacco, see it advisable to prosecute the importation as an article of commerce.

10.—Letters from Messrs. Taddy & Co., dated 20th September 1827, and the 19th February 1828, are sent in the packet.

11.—We transmit in the packet the following papers, having reference to the culture of cotton and tobacco; viz.

1.—Remarks on the culture of cotton in the United States of America, which we have received from our agent with the cotton seeds.

2.—Paper on the culture of tobacco in Virginia received in like manner.

3.—Statement of the best method of cultivating New Orleans cotton, received in like manner.

4.—Extract of Captain Basil Hall's Travels in North America so far as regards the cultivation of cotton; but we must remark that this author's statement of the mode of cleaning cotton, by what he denominates Whitney's saw-gin is not applicable to the machines now sent to you, but evidently refers to another American gin, probably like that which we sent to India several years ago.

12.—We are strongly impressed with the opinion that nothing but attention and perseverance is required to make Indian cotton-wool a productive article of export to Europe, and there is no commercial object connected with our Indian possessions of greater national importance. We desire therefore that the arrival of the saw-gins in India, be made matter of general publicity; and that such extracts from the papers now sent in the packet, as you may consider likely to be useful to the general cultivators, be published at intervals in the newspapers; and that the methods pointed out be tried, as far as circumstances will permit, in the management of the Government farm.

13.—We shall divide the consignments of gins and seeds upon the two first ships that may sail for Bombay.

14.—We have prepared the like supply of machines and seeds for consignment to our Government of Bengal.

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1.—MEMORIALS from the Bombay Merchants, as to the Suspension of the Intercourse with *China*, May 1815.

No. 1.

EXTRACT, Bombay Public Consultations, 24th May 1815.

READ the following letter from Messrs. Bruce, Fawcett & Co. and other merchants of Bombay, dated the 15th instant, forwarding a *Memorial to the Right Honourable the Board of Commissioners for the Affairs of India*, on the subject of the very serious injury which, collectively and individually, they have sustained in the first year, in consequence of the suspension of their commercial intercourse with China.

Right honourable Sir,

OWING to the very serious injury, which collectively and individually, we sustained in the past year in consequence of the suspension of our commercial intercourse at China, and the apparent likelihood of resort to the same measure in the approaching season, in consequence of a continued state of hostile discussion between the honourable the East India Company's Select Committee of Supra-cargoes at Canton and the government of China, (from the occurrence of those circumstances as advised in the last accounts from China, which, it is conjectured, will lead to renewed conflict of opinion), in which event, judging from the precedent of last year, it is to be more than apprehended, that the valuable commerce of this port will again be exposed to the ruinous consequences that have flowed, and ever must spring from the suspension of trade. We have, after very mature consideration, deemed it indispensably necessary to make representation of our case to the Right honourable the Lords Commissioners for the Affairs of India; and conceiving that it is decorous towards your honourable Board to make you acquainted with our proceedings, we beg leave to hand you copy of the memorial we have framed, and intend transmitting by the first opportunity.

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This measure, we beg leave to assure your honourable Board, has not been precipitately adopted, neither has its rise in the operation of any ordinary or temporary injury to the individuals who have subscribed their names to the memorial, but proceeds in the first place from an enormous extent of loss, as respects our commercial concerns of the past year, and a thorough conviction that the certainty of entire annihilation of our trade with China is involved in the continued exercise of similar power by the Select Committee of Supra-cargoes at Canton over the private commerce of British India.

We have, &c.

(signed) *Bruce, Fawcett & Co.*
Forbes & Co.
Shotton, Malcolm & Co. and others.

Bombay,
15th May 1815.

To the Right Honourable the Commissioners for the Affairs of India.

The humble Memorial of the undersigned Merchants of Bombay trading to China,

Sheweth,

THAT your Memorialists are, and have been, in the habit of trading very extensively from the port of Bombay to China for very many years past, without any hindrance or molestation on the part of the honourable the East India Company's government of Bombay, or on the part of the honourable the East India Company's Select Committee of Supra-cargoes at Canton, until last year.

That it has been their invariable endeavour, in the conduct of that trade, to demean themselves with all respect to the constituted authorities of the honourable the East India Company on the one hand, and to the established laws and usages of China on the other, and they respectfully beg leave to lay claim to success in their endeavours to this end, which it is within the reach of your lordships to ascertain by such inquiry as may be deemed proper.

That for the most part the export trade of Bombay to China consists in cotton, the staple product of the honourable the East India Company's territories, and generally of this side of India, and that in return they bring from China merchandize and bullion of vast value.

That the export trade from hence to China is not only of vast importance to your individual memorialists, whose fortunes are to their fullest extent embarked in the commerce of this port, but further that it is indispensably necessary to the prosperity of the subjects of the honourable the East India Company in Guzerat, as affording the chief means of a market to the produce on which territorial revenue has been paid to the honourable the East India Company.

That the import trade from China is of equal importance, inasmuch as it constitutes, combined with the happy situation of the port for the commerce of the western side of India and the Persian and Arabian Gulphs, Bombay as an emporium to which resort is had for the supply of the wants of the territories of the East India Company, and neighbouring states, and, as is now of more especial importance in the enlarged opportunity of commerce with the mother country, where demand exists for many of the products of China not of sufficient value to bear the heavy charges of freight incidental to the ships of the honourable the East India Company.

That for the successful prosecution of this trade, it is indispensably necessary that those concerned in it should not be subject to such interference or impediment as is calculated not only to diminish its advantage, but which, in its exercise, brings inevitable ruin upon the individuals engaged in it.

That in the past season your memorialists did experience that hindrance and molestation by the concurrent councils and authority of the captains of His Majesty's ships at China, and the honourable the East India Company's Select Committee of Supra-cargoes, by the forcible detention of their ships, and the prohibition that was issued to their proceeding to Whampoa, the only place where their trade is conducted, notwithstanding the express invitation by the Chinese to the commanders of country ships.

That your memorialists refrain from occupying the further present attention of your Lordships upon the subject matter of the losses they sustained in the past year, or of the causes that exposed their interests to such unprecedented and enormous sacrifice, because those losses, and all the attendant circumstances, will form the subject of a future respectful yet earnest appeal for redress to the justice of your honourable Board, and of the honourable the Court of Directors.

That the precise object of this address to your Lordships is to represent that your memorialists have heard, with the most deep concern, that in consequence of certain events which have had rise in China, still more recently than those which led to the lamentable state of things that produced the suspension of trade in the past season, it appears highly probable that a similar exertion of authority may be resorted to, and the valuable commerce of your memorialists be again suspended on the arrival of their ships in China; because, if the existence of disputes between the Chinese government and the Select Committee of Supra-cargoes at Canton is held to be a valid reason for the prohibition to the conduct of the trade of your memorialists, it is obvious that the restriction imposed in the last year will, on the recurrence of the same events, be drawn into precedent, and be acted upon as a system

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in the present and all future seasons by the honourable Company's Select Committee of Supra-cargoes at Canton.

That although the knowledge thus early obtained, and the experience of the act of authority last year exercised, may, as respects the present, prevent the same ruinous loss, still it can only in degrees control it, because, for the greater part, cargoes have already been provided; whilst in regard to a still more distant period of time, your memorialists most respectfully urge their conviction upon your Lordships, that the power of control by the honourable the Company's Select Committee at Canton over individual trade (whilst as heretofore peaceably conducted) must, in the repetition of its exercise, entirely annihilate the whole of the private trade between the various ports of British India and China.

That your memorialists, whilst they most cheerfully submit to the continuance of such wholesome exercise of authority on the part of the honourable the East India Company's Supra-cargoes at Canton as tends to restrain all acts of violence on the part of British subjects resorting thither, and to ensure due respect to the laws and usages of China, they most respectfully beg leave to represent, that in their contemplation, the Legislature has not delegated to the Company the right of prohibiting the private merchants of India from trading with China, but, on the contrary, that, subject only to due observance of order and decorum, they are in possession of a right to carry on trade as heretofore with China, that such trade is not subject to be suspended by the local authorities of the honourable Company in India where the voyage has commenced, nor to the interdiction whilst in progress by the Select Committee at Canton, which species of interruption is still more injurious than its being in toto prevented.

That the continuance of such trade is essentially necessary to this side of British India, as ensuring to the cultivators in the honourable Company's territories the means of vend for their produce; and your memorialists venture to suggest to your Lordships, that it is of almost equal importance to the interests of the honourable the East India Company, as by the prosperity of the private commerce of this port an extensive and very valuable class of shipping is at command in case of state emergency, and further in the very large amount of revenue which is derivable to the Company, firstly, from the duty which is paid on the import of all cotton in the first instance, over and above the territorial revenue collected on such part of the produce of Guzerat as is grown within the British territories, and again on the merchandize which is brought to this port from China in return for the staple product of this side of India; besides that, on many occassions, the funds of individuals sent to China have afforded, and may again afford, desirable resources to the East India Company in China.

That your memorialists, impressed with due respect towards the honourable the East India Company's Select Committee, also generally towards the Supra-cargoes at Canton, and they put it to the candour of your Lordships that the operation of that sentiment is not disproved by the present appeal, because it proceeds wholly upon public grounds, seeking for the control of your Lordships over a system which, in its continued operation, strikes at the very root of the commercial prosperity of this port.

Under these circumstances your memorialists humbly pray, that in the wisdom and consideration of your Lordships, such measures may be adopted as shall in time to come relieve our trade from that contingency of ruin which is involved in the power of restraining it at the pleasure of the honourable the East India Company's authorities in this country, to the end that so much of value as is at stake in the extensive private tonnage of this port, and the capital embarked in the trade to China, that the labour and responsibility of those engaged in it may so be employed, and under such safe assurance for its unmolested prosecution, as shall best redound to general and individual advantage, without which the trade of your memorialists must fall into irretrievable and early decay.

Bombay, 15th May 1815.

Minutes 22d inst.—Ordered, That the merchants be informed that the Governor in Council will lose no time in forwarding a copy of their representation to the consideration of the honourable the Court of Directors.

Ordered, That copies of the preceding papers be transmitted to the Supra-cargoes at Canton, that they may furnish the honourable Court with any observations they may have to offer on the subject.

EXTRACT, Bombay Public Consultations, 31st May 1815.

READ the following letter from Messrs. Bruce, Fawcett & Co. to the Right Honourable the Earl of Buckinghamshire, President of the Board of Commissioners for the Affairs of India, &c. &c. &c.

Right Honourable Sir, 22d May 1815.

WE beg permission to hand you copy of a further memorial addressed to the Right honourable the Board of Commissioners for the Affairs of India, which we propose to transmit by the first opporunity, and we also solicit the favour of your permitting the within address to the honourable the Court of Directors to be forwarded through your honourable Board.

We have, &c.
(signed) *Bruce, Fawcett & Co.*
Forbes & Co.
John Lockie & Co. and others.

Bombay,
22d May 1815.

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From Messrs. Bruce, Fawcett & Co. to the honourable the Court of Directors of the United Company of Merchants trading to the East Indies.

Honourable Sirs,

WE, the undersigned merchants of Bombay, beg leave to represent to your honourable Court, that in the past season, in consequence of discussions between the Canton government and your Select Committee of Supra-cargoes at Canton, the commerce of private British merchants was for a time suspended by your Select Committee, and that in consequence very serious injury was occasioned to the interest of this port; that although tranquillity appeared at one time to have been restored, the recent intelligence from China has announced the great probability of a recurrence of similar or more threatening differences of opinion between the Canton government, and your Select Committee of Supra-cargoes, in consequence of which it is to be apprehended that private commerce will be again suspended on arrival of our ships at Canton.

In consequence of the alarming results that have already sprung from the suspension of our trade, and because the continued operation of such a system involves still more serious injury than has yet been sustained, we have felt it to be a duty as well to ourselves as constituents to submit the matter to the consideration of the Right honourable the Board of Commissioners for the Affairs of India, and we have delivered in to the Right honourable the Governor in Council of this presidency, copies of the memorials as framed and transmitted.

Assuring ourselves as we do of the unvarying disposition of your honourable Court to take an indulgent and liberal view of the interests of individuals, when properly brought to notice, we should have submitted our claims to the sole consideration of your honourable Court had they been merely of a retrospective nature; but as it is of vital importance to our future trade that the restrictions to which it is by law subject should be pronounced upon, it did, on consideration, appear to us that the proper channel of representation, where the aggregate interests of one of the clogs of a community are involved, was direct to the right honourable the Board of Commissioners for the Affairs of India, and this the more especially as a very principal object of that representation is to obtain, founded upon an exhibit of its real and extensive importance, such further sanction to our trade, of which either in reality, or in supposition, it may at present be devoid.

It is our earnest hope, that your honourable Court will, in the high importance of the subject, and for the reason we have thus stated, see that the channel of representation we have sought is not objectionable, and that we have succeeded, in that certainly was our endeavour to avoid all expression of offence; whilst, in the transmission of copies of our memorials to your local government, prior to their transmission we hope to be considered as having evinced every respect both to your honourable Court and your constituted authorities.

We have, &c.

(signed) *Bruce. Fawcett & Co.*
Forbes & Co.
John Lockie & Co. and others.

From Messrs. Bruce, Fawcett & Co. to the Right Honourable the Earl of Buckinghamshire, President, &c. &c. &c. Right Honourable the Board of Commissioners for the Affairs of India.

My Lord, 22d May 1815.

WE had the honour of addressing ourselves to your Lordships on the 15th May, in the form of a memorial, briefly setting forth the injury which we had sustained in the past year by the forcible suspension of our trade at China, by the concurrent acts of the captains of His Majesty's ships of war then there and the honourable the East India Company's Select Committee of Supra-cargoes at Canton, and the apprehension we entertained, from the tenor of late advices from China, that in the ensuing season we should experience still further injury from similar exertion of authority, acting upon the recurrence of circumstances of a like or a still more threatening aspect than those which induced its exercise in the past season.

The prayer of that memorial was, that your Lordships, in the exercise of your wisdom and consideration, would be pleased to grant us protective relief, by causing our trade with China to be placed upon such a footing of security from the interference of the honourable the East India Company's authorities as shall best contribute to its advantage, and without which we ventured to represent to your Lordships it must fall into irretrievable and early decay.

In the memorial we further stated, that we should take the liberty of again obtruding ourselves upon your lordships attention, for the purpose of submitting to your notice the enormous losses which were last year entailed upon our commerce, by the act of interference therein referred to, and of enumerating the causes of such loss, in order that we might obtain that redress to which, under all circumstances, we humbly contend we are entitled upon the broad principles of justice and equity.

We have now, therefore, to crave the attention and indulgent consideration of your Lordships in the detail we are about to enter upon, and we trust for excuse in so far varying from the ordinary mode of addressing your lordships, namely, in the precise form of a memorial, because such form is not so well adapted to that full explanation of circumstances, and the arguments deducible from them, which we conceive will be found necessary to elucidate our case, and support the claims we put forth.

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Before proceeding to the subject of our present address, we desire to impress upon your Lordships conviction, that whilst we are impelled to the measure of appeal, by the pressure of an imperious necessity, from a firm belief that in substance the question of trade or no trade between British India and China is involved in the continuance of that system which was last year carried into effect by the Select Committee of Supra-cargoes at Canton, we are equally animated by a sincere desire strongly to represent the injurious consequences that must flow from the continuance of that system, and to abstain from all approach to such expression as shall be referrible to individuals as such: we desire to be viewed as respectfully protesting against a public measure, carried into act by the public servants of the honourable the East India Company, in conducting which it is indispensably necessary to state their acts as public servants, to show how they have affected our interests, and to submit whether they are powers, the exercise of which is delegated by law to the East India Company.

The object we have in view in the present appeal to your Lordships is two-fold; the one to claim indemnification from the honourable the East India Company for the actual losses we sustained last year, upon the ground that they were the consequences of the forcible suspension of our trade; the other to pray, that as respects our future commercial intercourse with China, it may be relieved from such power of suspension by the public authorities of the honourable the East India Company.

To establish our claim as respects the past, it will, we are aware, be necessary to show that, in point of fact, there does not exist any legislative enactment upon the authority of which the honourable the East India Company is authorized to suspend the trade of individuals between British India and China, such persons being resident in India with due sanction; and as our claim in this respect, and fortified by circumstances, arises out of the law of the case, they have received the best attention of our legal advisers, whose opinions are to the contrary of any such delegation of authority by the British Legislature to the honourable the East India Company, under all the facts submitted to their notice. With regard to those measures of prospective operation for the security of our commerce which it is an object to obtain, they only so far urge upon antecedent enactments, that if, as respects the past, our interests have in substance been legally protected, so must they now be considered and hereafter, and the clear exposition of that law by your Lordships would set the matter at rest; but in any event, and without reference to the interpretation of the present provisions of the Legislature, we do consider it is of vital importance to our commercial interests that for the future they should be relieved from the evil consequences already submitted to your Lordships as inseparable from the suspension of our trade with China.

In stating the merits of our claim to pecuniary indemnification from the honourable the East India Company for losses sustained, it will be necessary to draw your Lordships attention to a short detail of facts as they occurred in China, to the substance of an official document bearing the signatures of the Select Committee, which was read to the commanders of the country ships on board the ship commanded by the senior officer of His Majesty's ships then present, and by one of the honourable Company's Supra-cargoes at Canton, to the British subjects there convened at the honourable Company's Factory for that purpose. Upon this public document, two Acts were founded, namely, the prevention of country ships as they arrived at Chumpee, a place about five miles below the entrance of the Whampoa river, from proceeding up to Whampoa, and the ordering away, within a given number of days, all His Majesty's subjects from Canton.

For greater perspicuity, we will briefly state the circumstances relative to the last year's suspension of trade, in order of time as they had rise. In the early part of October last, several country ships from various ports of India arrived at the mouth of the Whampoa river, amongst them the Ann, Friendship, Anna, Milford, and Good Success, belonging to the port of Bombay, all those ships were forcibly restrained from proceeding to Whampoa, the only place where cargoes are delivered and received. To this measure of detention, protest was unavailingly made, and on the 9th of November, the commanders of the country ships addressed a letter to the Select Committee of the Supra-cargoes, of which copy is enclosed, marked (A.)*; to that letter reply was received, of which copy is also enclosed, marked (B.)*; on the 12th of November, a mandarine of rank came down to Chumpee, and the commanders of the various country ships having repaired on board the Ann, he delivered a message from the Viceroy of Canton, inviting them to enter the port and trade as usual, assuring them of his protection, and that they should meet with no interruption from the Chinese government. He also delivered to each commander a paper in the Chinese language to the same effect, of which translation is enclosed, marked (C.)* On the 27th of November, the embargo was taken off by the sanction of the Select Committee. The enclosed document, marked (D.)*, is, we have reason to believe, a correct copy of that which was read to the commanders of the country ships, as explanatory of the causes of the embargo.

* *Not printed.*

These being the facts, so far as we are acquainted with them, the grounds on which we rest our claim to redress are two-fold, first, the right of trade between the ports of British India and China in the contemplation of the charter itself; secondly, the right by sufferance and special permission.

It becomes us to speak with great diffidence to your Lordships regarding the interpretation and force of a legislative enactment, we therefore content ourselves with submitting, that, as respects the present charter of the honourable East India Company, it would seem that the Legislature had principally in view the regulation of the direct trade between the United Kingdom and places within the charter of the honourable Company, but that it left the domestic trade of India, as between the several ports within the limits, and China, to be conducted

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conducted in the same way as it has been from the first day when the capital and industry of British merchants residing in India were engaged in supplying the various and distant parts of the honourable Company's empire, of other places within the limits, and China, with the respective products of each; that trade, far considerably beyond the memory of any one subscribing this letter, has been unmolestedly carried on; in its prosecution, it has tended very much to enrich British India, and has certainly created the commercial importance of Bombay. Until the expiration of the last charter of the honourable Company, licensed British merchants, and the natives of India, shut out as they were from such free participation in the trade with England as can alone render it advantageous, had no other direction to give to their commerce, and we do admit, that until the past year, they experienced no hindrance from the authorities of the honourable Company in regard to commercial intercourse with China; the free exercise of discretion, both as respects the extent and periods of adventure, was granted to individuals; the measure of their trade was precisely that of their means, and their own views of advantage. The operation of the present charter has widely extended private commerce, and the merchants now trading to England may send home lawfully all articles of China produce from any of the ports of India, save and except only tea. In no view of the case thereof would it seem that the controlment of the domestic trade of India is vested in the honourable the East India Company, every inference is against it, and we submit to your Lordships that if any inference be at all to be drawn from the context of the present charter, as legislating for the trade between the ports of British India one with the other, and between them and China, it makes directly in favour of the position, that such trade is legally protected, inasmuch as the honourable Company are guaranteed in the levy of customs and duties upon that trade; if, therefore, commerce is burdened with duties on the one hand, so on the other must the free exercise of commerce be guaranteed, otherwise it can never be productive; but not only are these customs and duties payable, but, in point of fact, from this port they are collected to the extent of 5 per cent on the cotton before the adventure be well commenced. Whether this be or be not the view that your Lordships, on consideration, will take of the matter, we respectfully beg leave to represent, that even if the clauses of the present charter do vest in the honourable the East India Company the sole and exclusive privilege of trade between ports and places in India and China, if they do possess the power of making it a close monopoly, still that after individuals shall, with the sanction of any one of their competent authorities, have embarked in the trade to China, it is not competent for any other of their constituted authorities to interrupt the progress of that trade, for we persuade ourselves that your Lordships will plainly see how much less injurious is the operation of a law entirely restraining the employment of capital, than is the exercise of that authority in the middle stages of adventure; the loss occasioned by entire prohibition to trade is certainly great, but the hindrance of trade when in progress creates positive loss upon capital, and defeats the legitimate reward of labour.

We have now endeavoured to show the fact of the interruption of our trade; that such interruption contravenes either the provisions of the Legislature by which that particular branch of our trade is protected, or that it is not borne out even by the permission under which that trade was conducted, must be considered as especially granted. We further state to your Lordships that our interests have been seriously injured both as shipowners and as merchants, and although we refrain from occupying your time by amplification on this head, we have put our agents into full possession of necessary statements, and they will be prepared to furnish such information as may be called for. We anxiously trust that we shall be found to have made out our case for redress as respects past losses, and we rest confidently assured, that if, in the deliberate consideration of your Lordships, the application of existing laws to the facts stated shall illustrate our right to indemnification, the magnitude of those losses will not be suffered to affect the principle on which our claim to redress is so demonstrated.

We now come to the second object of this address, namely, the establishment of the position, that it is necessary for the welfare of our commercial intercourse with China, that it should in future be protected from the power of suspension by the honourable the East India Company's authorities in this country.

We will not trespass upon your Lordships time by argument, to show a position so self-evident as that commerce must thrive in the very proportion of the security it possesses, but proceed to show how essentially important to the interests of British India is the unrestrained opportunity of commercial intercourse between all its ports and China; that it is impossible Bombay can exist as a port of commercial importance without that trade; and we shall endeavour to prove how inseparably involved the honourable East India Company's interests are in the prosperity of that trade; and lastly, it will be our object to point out the impolicy of hindrance to such trade, founded upon the peculiar situation in which China stands with relation to any or all commerce that is carried on, or can be offered to the merchants of that empire.

The importance of the existing trade between British India and China is happily illustrated in its hitherto effects, in the aspect which commerce has assumed in India, in the multitude and excellence of her merchant ships, in the advantageous circulation of capital. It is evident that the continuance of this trade is of the utmost importance to those now embarked in it; it is indisputably important to the general prosperity of India, for the products of the soil are such as afford the means of trade with China in infinitely greater proportion than as respects the trade between any two given ports within the dominions of the honourable Company. The principal products of India that compose commercial

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adventure to China are cotton and opium, the former is common to the trade from the three presidencies, the latter is exclusively sent from Calcutta, it is not permitted as an article of export from any other of the Company's presidencies, unless it can be proved to have been purchased at the honourable Company's annual sales of opium at Calcutta. The trade with China is the only one (except that with England) which can afford to employ vessels of the burthen and value now so numerous in India: it is true, that even the most valuable ships may occasionally find profitable employment in the trade between the various ports of the honourable Company's dominions, but the China trade is the grand root of all the domestic commerce of British India. The China trade, then, as affording the most considerable market for the products of India, cannot he dispensed with, and the question arises, how shall that trade be conducted? shall it be left free to the industry of British subjects in common with the honourable Company, or shall it be a close monoply to the honourable Company; shall it belong of right to the honourable Company to transport the whole of the territorial produce, as well of their own dominions as of places within the limits, or shall the merchants of India be at liberty to engraft another benefit in the productive powers of their own capital and labour upon the happy utility of Indian soil and climate. We submit, at any rate, that if such exclusive privilege of trade between India and China be granted, the Legislature must contemplate that such trade will be carried on, and we beg leave to urge upon the attentive consideration of your Lordships, how the honourable Company are prepared to conduct that trade in point of present means, or how it may in any case be within their power to carry it on, as points most materially affecting the general scope of this subject. In the first place, we submit that the trade between British India and China must be considered in all its bearings, and especially as a trade both of export to and import from China; now, in point of fact, the honourable Company never have carried it on as a whole trade, their commercial adventures to China have there had termination, and the proceeds have gone to supply the means of that more, still more valuable trade in tea direct from China to England. In the second place, it is to be considered what extent of tonnage and of capital is now embarked in the commerce between British India and China, and whether it would be convenient, or for the interest of the honourable Company to carry into that trade equal extent of either of those means which are indispensable, and are now possessed by individuals. In order to appreciate this the means are within your Lordships reach, and may be accurately drawn from the official records of the honourable Company; in order to illustrate it so far as our means allow, we shall state it in a manner and to an extent of which at least the error will be in failing adequately to show the importance of the subject from falling short, rather than exceeding the extent and value of the present private capital and tonnage embarked in the China trade.

The least estimate that can be formed of the annual export of private cotton to China is 100,000 bales or 50,000 candies of 784 lbs., in measurement 4 bales, equal to one ton, so that for the cotton alone, 25,000 tons of shipping is requisite, the value of which is about 5,000,000 rupees.

The average price of cotton on board ship certainly exceeds, but let it be calculated at rupees 140 per candy, and the value is - - - - - - -	7,000,000
The charges of transit to China at rupees 40 per candy - - -	2,000,000
Of the quantity of opium annually sold at the honourable Company's sales in Calcutta, at least 2,500 chests may be assumed as the quantity exported for China in British ships, this at rupees, 1,700 per chest, amounts to - - - - - - - - - - - - -	4,250,000
Rupees - - -	18,250,000

The most moderate estimate then of the value of tonnage and merchandize necessary for the present extent of the trade to China is upwards of 2,200,000 *l.* &c. excluding the value of pearls, sandal wood, pulcturck, and articles of still inferior value, that likewise are exported to China; and the honourable Company, to carry on the whole trade, must employ 25,000 tons of shipping, and divert that extent of capital from their home trade, or supply it from the revenues of India. We submit to your Lordships that it is immaterial whether the honourable Company can so embark in the trade, whether they have refrained from it from motives of policy or otherwise, so is the fact that by the application of private capital and labour the commerce between British India and China has grown, in a series of years, to the very considerable extent we have pointed out, as between two of the honourable Company's presidencies only; but considerable value, and an interesting trade, is also embarked in private ships from the eastward in pepper, betel nut, and rattans, of which we do not state more, because our information is not perfect enough to hazard even an estimate in an address of this nature. The importance of the trade between British India and China having, we humbly hope, been thus demonstrated, and that the trade as a whole trade has been exclusively conducted by private merchants, we represent with great earnestness to the wisdom of your Lordships that either it is or ought to be protected in its progress, that we should be put in possession of a right to seek markets for it at Canton, without the restraint of the honourable Company's authorities.

We now show your Lordships that without the trade hence to China and back, Bombay could not exist as a port of commercial importance. It is known that Bombay does not afford either in produce or manufacture the means of export trade beyond the reach of its immediate vicinity. It is a place certainly not very happily endowed by nature, but it is geographically well situated for trade, and an active commerce affords employment to a most enormous

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enormous population. From the port of Bombay all the cotton that is grown in Guzerat, surplus to the wants of that country, is eventually exported; and China has, and it is probable will continue, at least for some years, to constitute the chief and most profitable market for it. In return for that cotton, and generally for the value of the outward loading of our ships, articles of China produce and bullion are imported, which constitute the means of an important trade, and give rise to a distinct and numerous set of merchants. The merchandize as imported is peculiarly fitted for the wants of the Arabian and Persian Gulfs, the northern parts of Guzerat, and the dominions of His Highness the Peishwa. In the resort hither of the ships and traders from all those places, an accession of advantage accrues to the commerce of this island, and in this constant flux and reflux of the products of many various parts of the world, results that advantage which has made Bombay so conspicuous amongst the commercial ports of the East. But as Bombay does not possess in itself those articles that are necessary to the wants of neighbouring and distant countries, this place is mainly dependant upon the China trade for its present commercial importance, and if that be abstracted from the industry of British merchants and native traders, either by law or by the operation of any system that defeats the practical advantages of that trade, the lapse of a very few years would leave but the record of history for the commercial importance of this place, and the barrenness of the rock on which we reside, would justify a doubt of its once having yielded the means of subsistence to a population as numerous perhaps as the subjects of some independent states.

In the vast importance of this subject to us we hope to find the excuse of your Lordships for the endeavour to show that in the continuance of the trade between British India and China the interests of the honourable Company are as much at stake as those of the humblest individuals who now present their claims to notice. In this attempt we feel it right to leave to the infinitively greater wisdom of your Lordships those points of primary importance which are founded on the relative duty of the sovereigns of India towards its subjects, our own is to show that in revenue, and in the political resources which result from the trade of individuals, the honourable the East India Company very largely benefit.

In regard to revenue resulting from commercial intercourse with China, here again your Lordships may command the most accurate information. In Bombay it consists in a levy of customs on the import of cotton from Guzerat, or upon its export at the port from whence it is shipped for Bombay, upon the import of goods from China, bullion being free of duty, and a town duty of four per cent is collected upon articles not re-exported from Bombay; of the extent or scale of duties and customs levied by the honourable Company on the transit of cotton from the province to Calcutta, we are not accurately informed, but including the revenue drawn from the quantity of opium annually sent to China, it, in a very great degree, surpasses that which flows into the honourable Company's treasury from the commerce of other places; and although it is not immediately within our reach to point out the grand total of advantage that thus results to the honourable Company from the course of trade between British India and China, we have thus taken the liberty of generally showing its sources; so that if, as we anxiously trust and confidently assure ourselves, your Lordships shall permit the substantive importance of that trade to establish a very principal claim to the adequate security of its conduct, the means are within your Lordships reach of ascertaining the quantum of advantage separately considered from the interests of individuals that in this view of the matter it affords.

As respects the political resources accruing to the Company, abstractedly considered from the advantage that springs from the encouragement to the greatest practicable extent of production from the soil of their own territories, and the circulation of wealth amongst all classes of their subjects, we submit to your Lordships, that through the medium of commerce there are ever present means of transporting troops, conducting distant expeditions, and of alleviating in its occurrence the tremendous evil of famine, which occurs occasionally at different parts of the honourable Company's dominions. This resource is not in speculation, we do confidently appeal to the experience of events during the past charter for practical demonstration of the fact, and great extent of it; and it is evident that in the present widely extended dominions of the honourable Company, embracing as they do nearly all the sea coast of India, the power of immediate command of shipping is more than convenient, which, by the existence of the valuable tonnage possessed by the merchants of India, the honourable Company command an unfailing resource, not only free of all cost to them when not required for public service, but which, when not so engaged, is employed to the mutual advantage of the honourable Company and individuals. We should not have adverted to this particular, of which your Lordships are fully aware, except that, as connected with the position we have in a former part of this address endeavoured to demonstrate, it derives peculiar force, namely, that the largest and most valuable class of Indian shipping is chiefly supported through the medium of the subsisting commerce between the ports of British India and China; if therefore political considerations evince the value of that resource, so necessarily is demonstrated the necessity of such a system as is calculated not merely to improve, but indispensable to the maintenance of the existing extent of that resource.

It remains for us humbly to represent to your Lordships the impolicy of any hindrance, and we may especially say such hindrance to our trade as that which has given rise to this appeal to your Lordships. Founded upon the peculiar situation of China itself, your Lordships know that the extent, fertility and population of the dominions of the Emperor of China, the various soil and climate of its provinces, calculated to the productions of all the world, besides of every necessary that ministers to comfort or luxury, leaves China as a nation completely independent of foreign supply through trade; the internal commerce of China,

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for which by nature there are such admirable facilities in its numerous rivers, and by art through canals, supplies with mutual advantage its most distant provinces with the natural products of each. Satisfied with the prodigal bounty of nature, jealous of strangers, governed by despots, China, until, comparatively speaking to the rest of the trade of Asia, a recent period, shut its ports to all foreigners, and to this day, after any experience of benefit which foreign trade may be supposed to have occasioned, still they act with a caution and jealousy that, to have lasted so long, must be as characteristic of the minds of the Chinese, as it is of the genius of their government. With such a people, and under such disadvantage, no foreign trade can be so beneficial as, under opposite circumstances, it might be rendered both to China and foreigners; but the fact being so, the real question is, whether, under such circumstances, it be or be not advantageous to trade at all; for we think ourselves justified by experience, as well as by all that is reported of the jealousy and inveterate prejudice of the Chinese Government, to presume, that in its estimation of the relative value of any the most insignificant of its laws or usages, and of the importance of foreign trade, the latter is held to be perfectly insignificant. In thus stating the comparative nothingness of advantage resulting from their foreign trade, we refer chiefly to the view that is taken of the matter at the chief seat of Government, and it is not reasonable to suppose that the larger benefits which accrue to Canton, as being the port of trade, through the corruption even of the officers of that government, ever will produce lasting concessions to foreigners, at variance with the general rule of policy prescribed by their laws, and with regard to the English in particular, probably confirmed by their fears. On this part of the subject we have further to submit, that China, as a nation, is still more independent upon foreign trade as furnishing the means of revenue to the state, than it is as relates to the people from its natural abundance and variety of its products, for in the largest estimate that can be framed of the value of the whole foreign trade that centres in the port of Canton, and in the largest computation of the revenue that flows into the Imperial treasury, such defect in the revenues as would be the consequence of the cessation of that trade could scarcely be felt in such an empire as China. But it is to be remembered, that even if their trade be essentially important to the general and particular interests of China, still it is not solely dependent upon the trade of the United Kingdom for a market for its produce; for that merchandize which is now transported so largely through the means of British trade, is equally the object of desire, necessity, and means of revenue to all the world, and would soon be carried off in its present extent through the trade of other European nations, and of America. Even then supposing the continuance of their foreign trade to be a paramount object, the certainty of that trade being sought with avidity by all nations would induce a despotic government, above all others, not to tolerate the commerce of any one country, the authorities of which occasionally restrained it, and that in the ports of that government. These arguments we conceive are thus brought to bear upon the individual interests, the protection of which we solicit from your Lordships. The government of China can only take one view of English trade, namely, that which frequents the port of Canton under the British flag; it does not recognise the trade of the honourable Company as peculiarly privileged, nor is the honourable Company there considered in any other light than as a commercial body; but if the Emperor find that such commercial body exercises within his dominions such control as to interdict part of the trade of the same nation, if he witness such exertion of authority as shall shut out any portion of that trade with his dominions which is tolerated by his laws, if he see all the ships under the British flag that are collected at the very mouth of his harbour, to carry on trade with his subjects, sailing away from his port in obedience to the interdictory orders of that commercial body, we submit to your Lordships that he can no longer consider that body as commercial only, the single view that the laws of his empire and his own jealousy does take, and is the sole plea of admission within his territories.

We further submit to your Lordships, that whilst the government of China, on the one hand, only view the establishment of the honourable Company at Canton as purely commercial, so, on the other, as we are advised by the British Legislature, that the honourable Company is not in any view of the case armed with political power, or can they legally exercise it over private property belonging to British subjects; and we respectfully represent to your Lordships that the suspension of our trade at any one given period of time, whilst it must tend to ruin, cannot in reality ensure any object of permanent good, inasmuch as the whole of the foreign trade in China is, in Chinese estimation, of infinitely less value than their laws and their prejudices.

We have now fully laid before your Lordships all that occurs as necessary upon this very important subject. It has been our endeavours so to state our case, that in earnestly soliciting the protection of your Lordships over the commerce between this place and China, we shall be held to have discharged a duty to ourselves, without using the language of offence. In remonstrating against measures highly injurious to us, it is obviously necessary to state that injury, its extent and its causes, as well as to show the grounds upon which we lay claim to compensation and future protection: and we sincerely trust, that the subject matter of this address will be honoured by the attentive consideration of your Lordships.

We have the honour to remain, &c.

Bombay,
22d May 1815.

— 2. —

COPIES of all Correspondence received at the East India House, relative to the present Interruption of the Company's Trade at Canton.

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No. 2.

1.—LETTER from the Select Committee to the Court of Directors; dated Macao, 8th October 1829.

To the Honourable the Court of Directors of the United East India Company.

Honourable Sirs,

Para. 1. WE had last the honour to address your honourable Court on the 16th March 1829.

2. We have now the satisfaction to announce to your honourable Court the safe arrival in China of all the ships to our consignment this season, with the exception of the Inglis, and the chartered ship Asia, of whose arrival also we are in daily expectation.

3. Circumstances connected with the general welfare of the foreign trade to the port of Canton, and which we shall not fail hereafter fully to detail to your honourable Court, have induced us to detain, for the present, the honourable Company's ships outside the Bocca Tigris. The whole of the fleet now arrived are laying at the anchorage occupied by the Company's ships in 1823, near the islands of Lantao and Toon-koo, excepting the Bridgewater, which ship, having experienced a heavy zyphoon on the 9th of August last, and having been under the necessity of cutting away her masts, has proceeded, with our sanction, to Whampoa, to repair the damages she sustained on that occasion.

4. As various rumours will doubtless reach your honourable Court respecting the detention of the Company's ships outside the river, and which, if not explained, will be calculated to create alarm and apprehension for the welfare of this trade, we consider it our duty to avail ourselves of the earliest opportunity, however indirect or circuitous, of conveying to your honourable Court a brief outline of the circumstances which have compelled us to adopt this measure; and shall reserve for a future opportunity the transmission of every particular connected therewith. It will be proper however, in the first place, to state, that the discussions in which we are at present engaged with the chief local authorities of the Canton government are strictly of a commercial nature, and such as, we trust, may hereafter be productive of material benefit to the Company's interests in particular, and the foreign trade in general.

5. Your honourable Court, in the despatches which we have recently had the honour to receive, seem fully aware of the embarrassed state to which the foreign trade of Canton is reduced, by reason of the numerous failures among the Hong merchants, and the want of stability and credit attaching to the few that now remain; their numbers, gradually reduced from eleven to seven, by the failure of Manhop in January 1828, are now, we regret to say, threatened to be still further diminished by the failure of Chunqua, which, should it actually take place, must inevitably occasion the speedy bankruptcy of two or three more Hongs, and in process of time the insolvency of the whole Co-hong; for, according to the present system of the Hongs, generally being responsible for the debts and duties of their bankrupt brethren, as well as for the arbitrary exactions and fines of a venal government, it is impossible that they can bear up against such accumulated burthens.

6. The affairs of Chunqua's hong, which we had reason to believe were left in good management and affluent circumstances by the elder Chunqua, under the superintendence of Yingqua, who he introduced into partnership for that purpose, now appear to have been greatly mismanaged and involved. It would seem that the elder Chunqua departed to his native province, taking with him a very large sum of money, to the manifest injury and detriment of the hong, which, after having struggled under feigned credit and appearances for two years, has suddenly been discovered to be deeply involved in debt and difficulty, and has actually been impeached by a Spanish house of business in Canton for the recovery of a considerable claim against it.

7. On ascertaining these circumstances in June last, we adopted measures for the security of our winter teas, the only Company's property at risk in Chunqua's warehouses, by a direct application on the subject to the viceroy, who immediately gave us an assurance of its safety.

8. It appears not to be the wish of the local government to break this hong; but, embarrassed as it is with a large debt, we cannot perceive how such an event can be averted, unless the elder brother returns to the hong with pecuniary aid to superintend its affairs.

9. Under such circumstances, and with the prospect of more failures in the hong, it became impossible for us to commence commercial operations this season, without exposing to extreme hazard the important and valuable interests committed to our management. The time appeared to have arrived for our making a strong representation to the government of the existing state of affairs, and for endeavouring, if possible, to effect the great desideratum so anxiously required by your honourable Court, of establishing more Hong merchants, as well as of endeavouring to remove some of the vexatious exactions which,

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while they are a primary cause of the embarrassments of the Hong merchants, press so heavily and unjustly upon the foreign trade to Canton.

10. With the view of obtaining these important objects, we have deemed it advisable to detain our ships outside the port, knowing well that such a measure would attach great weight to the representations we should have to make to the local government.

11. This measure has accordingly been adopted; and we have commenced a correspondence with the Chinese government on the existing state of foreign commerce at Canton, in which we have clearly pointed out the evils that have resulted, and are still the consequence of the present system. We have shown the impossibility of the Hong merchants continuing as a body, unless some great change be speedily effected in the heavy burthens and exactions which are now made upon them by the officers of government; we have strongly urged the propriety of creating more merchants; have requested a remission of some of the heavy exactions and fees which are at present imposed upon the foreign commerce; and have required that the elder Chunqua may be called upon to return with money to manage the affairs of his hong; and thus, if it be possible, to prevent its impending bankruptcy.

12. That such an event is but too probable, may be inferred from the following circumstances:—The hong is at this moment indebted to government for imperial duties and debts to foreigners to a very considerable amount, and to meet these claims it now appears there is no property of any description; even the title-deeds of the hong have been transferred to satisfy the clamorous demands of Chinese creditors. We have already observed, that the failure of Chunqua must occasion the speedy bankruptcy of two or three more hongs; we regret to say, that the correctness of this observation, which a general knowledge of the state and formation of the co-hong would fully warrant, is in a great degree confirmed, not merely by the unfavourable reports, which are daily gaining ground, of the state of Mowqua's affairs, but the unqualified admission of that merchant himself, not many days since, to a member of the Board, that if the hong of Chunqua failed, his must inevitably follow; indeed, at this moment he is unable to meet the claims, though to a small amount, which have been made upon him.

13. We need not advert to the state of Kinqua's and Fatqua's affairs; and with the facts we have detailed before our eyes, we consider the justness of the predictions we have advanced, as to the insolvency of the whole co-hong taking place, must be apparent, unless a complete change of system be immediately resorted to. The crisis, which every foreign resident in China has seen approaching without the means of remedying it, appears to have arrived; and such is the state of affairs at this moment, that were we obliged to commence our mercantile transactions, we should find ourselves utterly at a loss who to trust, or how to proceed in the disposal of our investments. To patch up the old system appears nearly impossible; but even could it be effected, we have too much reason to apprehend that at no distant period we should find ourselves in a situation more embarrassing, and with more difficulties to surmount.

14. We have made these representations to the viceroy in a full, clear and explicit manner. He has hitherto received them without offence; the spirit of his replies, although evasive, clearly indicates that he is neither insensible to the difficulties with which he is surrounded, or to the reasonableness of our complaints.

15. This officer and the Hong merchants seem deeply impressed with the vast importance of this subject; and although it is impossible, in so difficult and embarrassing a question, to conjecture the probable result of our present measures, we have great hopes, both from the necessity and justice of the case, that a beneficial change in the existing system of foreign commerce will be effected.

16. It is a source of great satisfaction to us to be able to inform your honourable Court, that, in a discussion pregnant with so much personal anxiety and responsibility to ourselves, we have received the cordial co-operation and support of the British commercial community in China, and have assurances of similar support in the measures we are pursuing from the foreign Europeans, residents in Canton; they all seem impressed with the belief that some change in the present commercial system in China is urgently called for, and fully sensible of the necessity of uniting with us in obtaining that which will be for the general benefit of all.

17. It is needless for us to assure your honourable Court of our anxiety to bring the existing negotiations to a speedy and favourable termination, and to commence commercial transactions again. No endeavour shall be wanting on our parts to effect this desirable object; but we feel persuaded that the only way of obtaining it will be to persevere in a firm and steady adherence to the plan we have adopted; and we hope it will produce such remissions and alterations in the existing commercial system, as may enable us, in the end, to carry on the trade with more security and advantage to the interests of the honourable Company.

We have the honour to be, with the greatest respect, honourable Sirs,
Your most obedient and most faithful servants,

(signed) *W. H. C. Plowden,*
William Baynes,
Charles Millett,
J. Bannerman.

IX.
INTERRUPTION OF TRADE.
No. 2.

2.—LETTER from the Select Committee to the Court of Directors; dated Macao, 15th October 1829.

To the Honourable the Court of Directors of the United East India Company.

Honourable Sirs,

Para. 1. OUR last address to your honourable Court was dated on the 8th instant; the detention of the Danish brig Nornen, by which we purpose forwarding it, enables us to state to your honourable Court that we have just received a reply from the viceroy of Canton to the address which we transmitted to him on the 5th instant, referring to the disabilities of the trade at this port, and pointing out suggestions for its amelioration.

2. We have now the satisfaction to inform your honourable Court, that the viceroy admits the embarrassed state to which the affairs of the Hong merchants have of late years been reduced, and informs us that he will direct the principal officers of the province to deliberate upon the propositions submitted for the general improvement of commerce, and that as soon as the result of their deliberations is known, he will again communicate with us upon this important subject.

3. From the tenor of his present communication it is evident that the viceroy has become fully impressed with the correctness of our representations, and it is satisfactory to observe, that while he acknowledges the foreign trade to have become embarrassed, and requiring a change, he evinces his desire and intention of placing it on a better footing.

4. Subsequently to the date of our last address to your honourable Court, we have learned that the British and Parsee agents at Canton have presented petitions to government on the existing state of the foreign trade, which have been received with attention; and we have the satisfaction to state, that the heads of the Netherlands, French, and Spanish establishments are now adopting the same course in furtherance of the important objects which we have in view.

5. We can only repeat to your honourable Court, that no endeavour shall be wanting on our part to bring the present state of affairs to a favourable termination, and we have the honour to be,

With the greatest respect, honourable Sirs,
Your most obedient humble servants,

(signed) *W. H. C. Plowden,*
William Baynes,
Charles Millett,
J. Bannerman.

3.—LETTER from the Select Committee to the Court of Directors; dated Macao, 23d November 1829.

To the Honourable the Court of Directors of the United East India Company.

Honourable Sirs,

Para. 1. OUR last address to your honourable Court was dated the 15th ultimo.

2. We now avail ourselves of the departure of the brig Mary Anne for Singapore, with the intention of prosecuting her voyage ultimately to England, to communicate to your honourable Court our proceedings since the date above referred to.

3. Upon the first day of the present month the merchants Howqua, Mowqua, Kinqua, and Puankhequa arrived at Macao, and requested an interview with us, upon which we assembled to meet them. It appeared that they were the bearers of no official communication to us from the Chinese Government, either verbal or in a written form. We therefore felt it necessary to observe extreme caution in our conversation with them; several measures were proposed to us by the merchants, as conducive to the termination of the present discussions; the principal suggestions were our own removal to Canton, and an order to the honourable Company's ships to enter the river.

4. We felt convinced that no object would be gained by either of the steps proposed. Our arrival in Canton could only assist the impression that we were unduly anxious to re-commence our commercial transactions, and strengthen the hope that we would wave the consideration of the subjects which we had pointed out to the government as urgently requiring reform. The removal of the ships to Whampoa, while it would corroborate the opinions above alluded to, would expose the crews of our ships to the influence of a noxious atmosphere, in lieu of the salubrious air of their present anchorage. Disturbances with the Chinese might also justly be apprehended from the large number of seamen employed in the honourable Company's ships, remaining for a long and indefinite period in a state of inactivity in the river. In addition to the reasons already mentioned, we had found it necessary, previous to the merchants' visit to Macao, to interdict the resort of persons belonging to our ships to Canton, a practice which we found, by its giving rise to many unfounded rumours, to be productive of impediment and delay to the progress of our negociations with the Chinese government.

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No. 2.

5. Independently therefore of the suspicion that the merchants had made their proposals from sinister views of their own, or at the instigation of the government, there appeared to us to be strong reasons for adhering to the plan by which we had hitherto been guided in our proceedings. So firmly were we impressed with this opinion, that upon the 21st ultimo we had come to the resolution of ordering the honourable Company's ship Bridgwater to be prepared to leave the river, and join the fleet of the honourable Company's ships anchored at Toonkoo. We viewed that measure as essential to the preservation of the principle of consistency in our proceedings; and only delayed giving the necessary directions to Captain Manderson to carry it into effect, until we received from him a report of the progress which had been made in the repairs of the ship under his command.

6. The only official document produced by the merchants at their interview, was an edict of the viceroy, inviting natives to enter upon the foreign trade during the period that he shall continue to discharge the duties of the hoppo's department, for which term he promises them exemption from all fees and exactions hitherto customary. But while the viceroy exhorts the natives to take advantage of this interval, he reminds them it is brief, and that he cannot be responsible for the acts of the new hoppo, with whose office he will no way interfere. It is extremely improbable that any person will be induced by so temporary an expedient to venture property in foreign trade.

7. Nothing of a satisfactory nature transpired from our interview with the merchants, and their undertaking a journey to Macao with no specific object, combined with the suggestions which they had made to us, were proofs that neither themselves, or it may be be presumed the government, were yet convinced of the sincerity of our intentions to abstain from trade, till some material reform in the system of conducting it had been effected.

2 Nov. 1829. 8. Having been informed by Captain Manderson that the Bridgewater was in a state which permitted of her being moved down the river, we determined to delay our orders for the adoption of that measure no longer than was necessary to make the application to government, for the customary license issued upon a ship's leaving the port.

9. We forwarded an address to the viceroy, stating that in consequence of the suspension of trade we considered it expedient to withdraw the Bridgewater from the river, and requesting that the port clearance might be issued.

10. We received a reply, an edict of the viceroy, refusing to grant the pass for the Bridgewater, upon the grounds that she had not delivered or received a cargo, and therefore could not be permitted to leave the port: the viceroy further directed the merchants to exhort Captain Manderson to open the hatches of the ship, and commence trade.

11. We considered it unnecessary to reply to such arguments, and sent instructions to Captain Manderson to move the Bridgewater out of the river with as little delay as possible.

12. It has been a subject of much regret to us that the success of this measure has been frustrated by the failure of the passage of the Bridgewater in attempting to cross the second bar, which Captain Manderson informed us he was prevented from accomplishing, by the prevalence of light southerly winds, and a tedious passage from Whampoa to the river.

13. It is much to be apprehended that the termination of the pending discussion has been retarded by this unfortunate circumstance. We understand that our proceedings were the subject of much speculation in Canton, when the report reached that place that Captain Manderson had received orders to quite Whampoa, and proceed to Toonkoo. By some this measure was represented as a mere threat which would not be seriously acted up to, and we cannot too much regret that appearances have strengthened that opinion, which will not be removed until the next spring tides* enable Captain Manderson to pass the second bar shoals, and proceed out of the river.

* November 26.

14. In our address to your honourable Court, dated the 15th ultimo, we stated that the alterations represented by us to the Chinese government as essentially necessary to the welfare of British and foreign trade generally to Canton, had been submitted by the viceroy to the consideration of the judge and treasurer.

12 November. 15. The report of these officers has now been received, and a more unfavourable one could hardly have been expected by those most accustomed to observe the prejudice of the Chinese in favour of old customs.

16. With the exception of a reduction in the fees paid by compradores, who serve ships, not a single point has been conceded which could benefit foreigners. An obscure suggestion is made respecting the payment of the debts of those Hong merchants whose creditors have not yet compounded to receive the amount of their claims in a term of years, and a hope is held out that the port charge, denominated "present," may, after reference to Pekin, be diminished, the regulations for that purpose being acted upon next year. But with the exception of these indefinite observations, the proposals made by us to the viceroy have been treated by the treasurer and judge with an indifference and inattention amounting to contempt. It was therefore inferred, either that they were incompetent to view the subject with the consideration which it deserved, or that the Chinese government had determined to use every means in their power to reduce our trade to the co-hong system, so often before attempted by them, but now resorted to under the intolerable circumstance of a large accumulated debt to foreigners, with the prospect of nearly the whole mass of government exactions being thrown upon the honourable Company's commerce.

17. At

17. At the time when the report of the judge and treasurer was under our observation, the bankruptcy of Mowqua's hong appeared inevitable. That merchant, in answer to applications made to him for funds deposited in his hands, had stated his inability to meet the demands, unless a remission of three years were granted to him for the period of payment. This proposition, when the ruin of all the merchants might justly be apprehended, was considered quite equivalent to declared insolvency. November 16.

18. The number of Hong merchants, therefore, at the period referred to, could not be considered to exceed three, the hongs of Kinqua and Fatqua being viewed as unable to support the approaching crisis. The ability of the hongs of Howqua, Puankhequa and Goqua to meet such heavy demands as would be brought against them might well be doubted. Our attempts to procure the enaction of regulations which would induce respectable natives to act as Hong merchants appeared to be disregarded, and every suggestion for the amelioration of commercial affairs passed by with inattention.

19. It became necessary at this juncture to convince the Chinese government that this state of trade could not be tolerated, and that rather than submit to carry it on under such disadvantageous circumstances, we would endeavour to resort to some plan which exhibited a less ruinous prospect.

20. We therefore replied severally, and we trust in such a firm and temperate tone as will meet your honourable Court's approbation, to the different subjects contained in the report of the judge and treasurer, using nearly the same arguments in favour of our proposals as those by which we had accompanied them in our first representation to the viceroy.

21. To this explanatory reply we considered it necessary to add the following observations in our address, viz. That the Chinese government, having by exactions and impositions driven nearly all foreign traders to resort to illicit traffic, by which the public revenue was diminished, the trade of the honourable Company was left to support, almost unassisted, the heavy demands of the port: That we had long, from a principle of equity and a desire to maintain tranquillity, conformed to old regulations, and patiently endured the vexatious demands imposed upon our commerce, while others evaded their share of the contributions by adopting measures to which we would not resort: That in addition to this daily increasing burthen thrown upon our trade, the Chinese government had by extortion reduced the number of substantial Hong merchants to three, a state of affairs which entirely defeated the true object of commerce, viz. the exchange of the commodities of the two countries upon just and reasonable terms, for their reciprocal advantage; and that the credit of even these three Hongs was so impaired by an accumulation of unliquidated debt, that we could hold no further commercial intercourse with them, till the claims upon the merchants, Chunqua and Mowqua, were satisfied.

22. We trust that by this address the apprehensions of the government will be excited for the preservation of that source of revenue of which they have hitherto considered themselves secure in the trade of the honourable Company. With the object of strengthening this alarm, we have given permission to the commanders and officers of the honourable Company's ships to dispose of their investments at their present anchorage, by any means to which they can resort, unaccompanied by the necessity of persons attached to the honourable Company's service proceeding to Canton.

23. Although we should be unwilling to sanction such a measure, under the circumstances which have usually attended our discussions with this government, we feel warranted, in the present instance of impending destruction to our trade, to use every weapon which can avert so alarming a prospect. The commercial intercourse necessary to conduct the extensive mercantile affairs of the honourable Company is perfectly incompatible with the present condition of the Hongs. That system, in its most flourishing state, is exposed to many objections, but when reduced to its present number of members, and encumbered with a heavy debt, we do not hesitate to say that the continuance of trade is impracticable. We do, however, confidently hope, that this crisis may by firmness be averted, and some favourable turn take place, calculated to restore tranquillity to the affairs of the honourable Company in this country.

24. It is with much satisfaction that we have to communicate to your honourable Court the re-establishment, within these few days, of the credit of the hong of Mowqua, which has met and duly discharged all claims that have been brought against it. Though not disposed to be too sanguine in the inferences to be drawn from this circumstance, it may safely be regarded as a favourable symptom. We anxiously expect the return of the elder Chunqua to Canton, where we hope something definitive will be elicited concerning the affairs of that hong, the recovery of which from its present insolvency we should view as a point of the most vital importance.

25. We have thus detailed to your honourable Court the progress of our proceedings in conducting the arduous discussion which has fallen to our management to the date of this despatch. It would be useless to communicate floating rumours occasionally prevalent, which might give rise to false hopes or excite unnecessary alarm, and we consider ourselves upon the present occasion advantageously situated in being placed in a great measure beyond the reach of such reports by our absence from Canton, to which it would be almost impossible to avoid giving partial credence, when daily brought to our notice.

26. We are also convinced that the measure of keeping our ships below the river, and interdicting intercourse with Canton, has been a wise and prudent step. Communications between persons attached to the honourable Company's service and the merchants could only be productive of feelings of discontent and irritation, while no useful end could be attained by it. We are happy to state that the loss to individuals which must occur from

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such suspension of trade, has upon this occasion been borne with all the temper and patience which could be expected; and it must be considered highly creditable to the discipline of the honourable Company's service, that 3,000 seamen should have remained for nearly three months in a state of inaction, without the occurrence of any serious disturbance.

27. While our negociations can be conducted under such favourable circumstances, we feel confident that they will be terminated by a prosperous result, and have only to repeat to your honourable Court those assurances, which we have before had the honour to express, that no exertion shall be wanting upon our part which can promote so desirable an event.

We have the honour to remain, with the greatest respect,
Honourable Sirs,
Your most faithful and obedient servants,

(signed) *W. H. C. Plowden,*
William Baynes,
Charles Millett,
J. Bannerman.

4.—LETTER from the Select Committee to the Court of Directors; dated Macao, 30th November 1829.

To the Honourable Court of Directors of the United East India Company.

Honourable Sirs,

Par. 1. Our last address to your honourable Court was dated the 23d instant, and forwarded, *viâ* Singapore, in the country ship Mary Anne.

2. We now avail ourselves of the conveyance offered by the country ship Fergusson, proceeding by the same route to England, to convey to your honourable Court intelligence of occurrences which have taken place since the date of your last advices.

3. An edict has been issued by the viceroy to the Hong merchants, strongly enjoining them to invite and select from their most intimate friends and acquaintance persons fit to undertake the management of foreign trade. This proclamation is couched in the most urgent and peremptory terms, threatening the merchants with the imperial displeasure if the commands contained in it are not complied with. The term of 15 days only is allowed for the merchants' answer, and the document being dated the 16th November, a reply may daily be expected, informing the viceroy of the result of the merchants' invitations. The above-mentioned edict professes to remit all fees usually attendant upon enrolling a new Hong merchant's name in the hoppo's books.

4. The merchants inform us that they have, in compliance with the viceroy's commands, extended invitations to all their acquaintances of substance and respectability to enter into the foreign trade.

5. The viceroy's reply to our last address, alluded to in our communication to your honourable Court dated the 23d instant, paragraph 20, has been received.

6. The tone of this document is temperate, and our representations are answered with civility and attention; but the principle that no change can be made in the regulations of the emperor for the conduct of foreign trade is maintained with the greatest strictness. The arguments used are much the same as those brought forward in previous proclamations.

7. If anything satisfactory can be gleaned from this edict, it is the repetition of the assurance that a despatch has been sent to the province of Gan Hung to cause the immediate return of the elder Chunqua, and that if that person fails to bring with him funds, government will prosecute for the recovery of the debts due to foreigners.

8. The success of the viceroy's edict to the Hong merchants, alluded to in paragraph 3 of this despatch, can be only proved by the result, which must be speedily known to us. We are not, however, disposed to be sanguine that the object in view, the obtaining candidates for the foreign trade, will be accomplished.

9. The assurance of the viceroy that Chunqua will be caused to return to Canton, and undertake the management of the Hong carried on under his name, as well as the intimation that government will prosecute for the recovery of the debts of the firm, may be considered ostensible proofs that the re-establishment of that hong is seriously intended. This inference is corroborated by the circumstance of Mowqua having discharged all claims of foreigners against him. If our expectations respecting the affairs of the former merchant are realized, we trust we may be allowed to assume that the preservation of two hongs has been the successful result of our present measures.

10. The honourable Company's ship Bridgewater passed through the Bocca Tigris without the least appearance of opposition on the 27th instant, and it is now safely anchored in the Cap-seng Moon passage.

11. We have the honour to transmit by the present conveyance our secret consultations from the date of the 23d of February to the 16th of November 1829.

12. We also enclose, Nos. 1 and 2 in the packet now forwarded, a copy of the viceroy's edict to the merchants, alluded to in the third paragraph of this despatch, and a copy of that

that officer's proclamation in reply to our address of the 16th instant, mentioned in paragraph 5 of this communication.

13. These two edicts are the only documents of an interesting nature which have come to our hands since the date to which our secret consultations are now transmitted.

14. We forward by this opportunity the annual indent of medicines required for the use of this factory.

We have the honour to be, with the greatest respect,
Honourable Sirs,
Your most faithful and obedient servants,

(signed) *W. H. C. Plowden,*
William Baynes,
Charles Millett,
J. Bannerman.

5.—LETTER from the Select Committee to the Court of Directors; dated Macao, 14th December 1829.

To the Honourable the Court of Directors of the United East India Company.

Honourable Sirs,

Par. 1. Our last address to your honourable Court was dated the 30th ultimo, and forwarded *viâ* Singapore, by the country ship Fergusson.

2. We have now the honour to transmit a despatch by the French brig Chunqua, bound for Manilla and Havre.

3. We have it in contemplation to despatch the H. C. ship Bridgewater from the anchorage of the Cap-se-Moon as soon as her cargo, which will be composed of winter teas, teas of last season remaining in the market, and the homeward investments of some of the commanders of the H. C. ships, can be procured from Canton. Arrangements have been made for the conveyance of these teas by country ships from Whampoa to the Cap-se-Moon passage, and we expect that the whole of them will shortly be on their way down the river. We trust therefore that the departure of the H. C. ship Bridgewater on her homeward voyage will not be long delayed.

4. We have replied to the viceroy's edict, which was forwarded a number in the packet transmitted per Fergusson, as mentioned in paragraph 12 of our despatch, dated 30th ultimo, sent by the same conveyance. We stated concisely that the liquidation of the debt from the Hong merchants to foreigners, which the viceroy had informed us should be forthwith paid off, would be highly desirable, as it would remove a principal obstacle to natives becoming Hong merchants. We acknowledged his excellency's intention to meet our wishes which had been exhibited by repeated invitations to natives to engage in the foreign trade; but we added, that as these exhortations had been proved fruitless, by the fact that no candidate had as yet offered himself for that purpose, we could only ascribe this reluctance to the causes which we had before enumerated. Under present circumstances, we requested his excellency would permit us the alternative of trading with any natives promiscuously, leaving us to make such selection of persons as we might think proper.

5. We requested at the same time the viceroy's sanction for the removal of our winter teas from Canton by Chinese boats to the ships.

6. An edict has been issued by the viceroy inviting natives to become members of the Hong, with the condition that if experience shows either that they are themselves incompetent to undertake the management of foreign trade, or that their dealings prove unprofitable, they may resign the situation by simply intimating that it is their wish to retire. The viceroy at the same time repeats the assurances which he has before given, that no axactions whatever will be made by the hoppo or his officers on the establishment of a new Hong. No. 1, List of Packet.

7. Upon such terms it is clear that the foreign trade must become profitable to those engaged in it, and the reluctance of natives to come forward, if not removed by this proclamation, must be attributed to want of confidence in the professions of the government, who by their arbitrary acts towards those hitherto engaged in the trade, have thrown a degree of odium on the situation which they now find it impossible to overcome.

8. The viceroy has issued a proclamation in reply to our address alluded to in the 4th paragraph of this despatch, wherein he repeats former arguments, evades the question of the removal of our teas from Canton, and states that our request for the liquidation of the foreign debt cannot be immediately complied with. His excellency concludes by declaring that any further representations which we may make on these subjects will be returned unopened.

9. This latter document only reached us on the 9th instant, and we have not yet offered any reply to it. We are influenced in postponing our answer by the arrival of the new hoppo in Canton, which event took place on the 11th instant.

10. We feel desirous to see the effect produced by the line of conduct which the hoppo may adopt on assuming the charge of his office, before we proceed to take any further steps in this arduous discussion. The state of Chunqua's hong will also be determined by the arrival of the late partner of that establishment. This latter point must be viewed as one

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of the deepest importance, the stability of the other Hongs being intimately connected with it.

11. It is with sincere concern that we feel ourselves unable to convey to your honourable Court intelligence of a more satisfactory nature of the posture of your affairs in this country than what has been detailed in the preceding paragraphs, nor should we feel ourselves warranted in hazarding any conjecture on the probability of a termination of this serious discussion at an early period. We are of opinion however that firm determination of purpose is the only line of conduct to which we can look for ultimate success. We feel confirmed in the adoption of this principle by the conviction that our requests have been reasonable, that the preservation of this valuable trade can only be accomplished by a change of system, and that the failure of the attempt that has been made to check the approaching annihilation of our commerce to this country would be followed by additional acts of extortion and oppression on the part of the Chinese government, which would accelerate that crisis which we have endeavoured to avert.

12. We beg to repeat to your honourable Court our assurances that we shall use every exertion to restore affairs to that tranquillity and prosperity which it is so desirable to preserve; and that while we consider it our duty to arrest the progress of impending destruction to this trade, we are fully impressed with its importance, which will be duly borne in mind in the discharge of that trust which has been confided to us.

We have the honour to be, with the greatest respect, honourable Sirs,
Your most obedient and faithful servants,

(signed) *W. H. C. Plowden,*
William Baynes,
Charles Millett,
J. Bannerman.

6.—LETTER from the Select Committee to the Court of Directors; dated Macao, 29th Dec. 1829.

To the Honourable Court of Directors of the United East India Company.

Honourable Sirs,

Para. 1. OUR last address to your honourable Court was dated the 14th instant, and transmitted by the French brig Chunqua, bound for Havre *viâ* Manilla.

2. We now avail ourselves of the departure of the Danish ship Norden, with the intention of proceeding direct to the English Channel, to forward this communication, accompanied by our secret consultations from the 16th of November up to the 21st instant.

3. We regret to be unable to report to your honourable Court that any favourable symptoms have been developed in the appearance of commercial affairs here since the date of the despatch above alluded to.

4. The elder Chunqua, who was reported at one time to be upon his way towards Canton, and to have approached that place within a distance of three or four days journey, has not arrived. This delay has not been satisfactorily explained; and it may naturally be inferred that the person alluded to has found means to bribe the officers of government to whom the duty of conducting him to Canton was entrusted, and who, under false pretexts, will allow him to linger on the journey (if indeed he has commenced it) till the affairs of the Hong formerly under his management have been settled, either by the firm being declared insolvent, or by its receiving such assistance from the other Hong merchants as will enable it to continue its commercial transactions with tranquillity. The former view of the affairs of this Hong however presents the most probable aspect, and we can at present contemplate it in no other light, than that of inevitable bankruptcy.

5. We are informed that both Europeans and natives in Canton are of opinion that the bankruptcy of the Hong of Chunqua must inevitably be succeeded by that of Mowqua, Kinqua and Fatqua. It is indeed rumoured that the demands upon those three Hongs on account of government duties would already have caused their failure, if considerations of policy had not induced the government to refrain from enforcing their claims at this alarming crisis. The credit of all the other members of the Hong, with the exception of Howqua, and perhaps of Puankhequa, has fallen extremely low. Every expedient is said to have been resorted to for raising money, which, from the prevailing want of confidence, is lent at a heavy interest, amounting we are told to fifteen and twenty per cent; but those who would avail themselves of this tempting opportunity to employ funds are deterred, even in instances where goods have been offered as a pledge, by the consideration that property cannot be placed in any place of security, if the Hongs of the two merchants above mentioned are excepted.

6. In fact it is scarcely possible to contemplate a more deplorable condition than that to which the Hong is now reduced, and which it is shown by facts daily brought to our notice can be only relieved by a radical change of system. However therefore we must regret the existence of those causes which induced us to assume the grounds upon which we now stand with the Chinese government, we feel convinced by the experience of daily occurring events of the necessity of the measures adopted by us. It would be a forfeiture of the duty which we owe to our honourable employers to shut our eyes to the alarming crisis

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crisis of affairs, while additional proofs of the justice of our apprehensions are successively forced upon us, all tending to confirm the opinion that this valuable trade can only be extricated from its accumulated embarrassment by a steady perseverance to obtain a material alteration in the mode of conducting it. We determine therefore to adhere strictly to the line of proceeding by which we have been guided from the commencement of the discussion to the present date. Although this course must necessarily be pursued at a heavy sacrifice of time and property, it is that to which alone we can look for a satisfactory termination, and for which we hope to receive the approbation of your honourable Court.

7. The viceroy's edict recorded under date the 20th November of our secret consultations, directing the Hong merchants to select persons from their own family or connections to become members of the Hong, and allowing them the brief period of half a month to accomplish that object, although couched in the most urgent and imperative terms, seems to have entirely failed to produce the desired effect.

8. The inefficacy of the viceroy's proclamations, proved by the opposition to his commands that has been exhibited in this instance, and his failure to cause the return of the elder Chunqua, would warrant the inference that this officer's power is very limited, excepting when exerted to the annoyance of foreigners. The obstacles presented in these cases to the adjustment of affairs have however been removed by our proposal that his excellency should sanction our dealing indiscriminately with any native whom we may please to select. This privilege would in some measure smooth the way to a termination of the discussion.

9. No notice of the situation of commercial affairs at the port of Canton has yet been made by the newly arrived superintendent of customs; we consider that we have allowed a sufficient time to elapse for this officer to take measures for restoring the trade to its former tranquillity had he entertained such an inclination, but as no such intention has been manifested, we have now drawn up an address to be presented to him.

10. We have alluded to the facts which have already been brought repeatedly to the consideration of the viceroy, and recapitulated what we have proposed as apparently the most probable means to effect the removal of these obstacles to the conduct of foreign commerce. We shall appeal to the hoppo, in capacity of deputed superintendent from the emperor, to preserve and protect the interests of this trade, for redress of grievances under which it labours, and throw upon him the responsibility of risking its destruction by continued refusal to listen to just and reasonable demands.

11. We shall conclude this address by informing the hoppo that if our representations are still treated with indifference, we are prepared to lay a full and circumstantial detail of the system of corruption and extortion exercised by the local government of Canton upon the foreign trade before the supreme tribunal of Pekin.

12. We have resolved to adopt this course as the only resource left to us when redress has been refused by the local government to repeated representation; and although much loss of time must necessarily be incurred, and many obstacles present themselves to carrying our project into execution, we do not consider that these objections are sufficient to discourage the attempt. The supreme government of this empire has shown itself desirous to encourage trade when peaceably conducted, and sensible of the advantages which result from it. It may therefore be hoped that suggestions conducive to the tranquil preservation of commercial interests will meet consideration, and that indisputable claims upon Chinese subjects will find redress.

13. We shall have the honour to communicate an account of our further proceedings by by the H. C. ship Bridgewater, whose despatch from China we hope will be effected by the 20th of the ensuing month.

14. We have the honour to transmit herewith our secret consultations from the 16th Nov. to the 21st instant, and our estimate of teas for this season.

We have the honour to be, with the greatest respect, honourable Sirs,
Your most obedient faithful servants,

(signed) *W. H. C. Plowden,*
William Baynes,
Charles Millett,
J. Bannerman.

7.—EXTRACT China Secret Consultations; Macao, the 16th November 1829.

To the Commanders, Officers, and all persons attached to the honourable Company's ship.

Sir,

THE President and Select Committee, feeling desirous to alleviate by any means in their power the detriment to your commercial affairs, which must result from the present impediments to trade, have directed me to convey to you and the officers of the honourable Company's ship under your command, their permission to dispose of merchandize, your property, through any channel or in any manner of which you can avail yourselves, without the necessity of persons attached to the honourable Company's ships resorting to Canton.

I am further directed to inform you, that the president and select committee contemplate the necessity of removing the honourable Company's ships to another anchorage, for which purpose you will be pleased to hold yourself prepared.

I have the honour to be, Sir, your most obedient servant,

(signed) *G. B. Robinson,*
Acting Secretary.

To G. B. Robinson, esq. Acting Secretary, &c. &c.

Sir, Macao, 18th November 1829.

Secret Consultations, 20 Nov. 1829.

I HAVE to acknowledge the receipt of your letter of the 16th, conveying to me the permission of the president and select committee, for myself and officers to dispose of our merchandize in any manner or through any channel we could. I am fully sensible of the kind intentions of the president and select committee, and feel obliged to them for their consideration; at the same time I beg leave most respectfully to state, that I look upon that permission as a boon offered to me, which I could not make use of without disobeying, in my consideration, one of my most positive orders from the honourable the court of directors, that of carrying on illicit trade.

I shall hold myself in readiness to proceed to whatever anchorage the president and select committee may order me to take up.

I have, &c. &c. &c.
(signed) *W. Hope.*

To Captain Hope, Commander of Honourable Company's ship Herefordshire.

Sir, Macao, 20th November 1829.

I HAVE the honour to acknowledge the receipt of your letter of the 18th instant, which has been laid before the president and select committee; and I am directed by them to inform you, that without entering on the question of what your orders are from the court of directors, they must remind you that when in China the honourable court have directed you to place yourself under the orders of the select committee.

I am further directed to state that, as the permission given you to dispose of your investment left you at perfect liberty to act upon it or not, as best suited your convenience, the president and select committee do not see the smallest necessity for the observation in your letter, referring to the orders of the court of directors, as connected with illicit trade, unless your intention was, as far as the opportunity permitted, to make known to the honourable Company's authorities in China your reluctance to enter into their views in carrying into effect a measure which they considered necessary for the interests of their honourable employers.

I have, &c. &c. &c.
Signed by the Secretary.

Secret Consultations, 22 Nov. 1829.

The following letter has been received from Captain Hope, in reply to that addressed to him by our Secretary, on the 20th instant.

To John Jackson, esq. Secretary, &c. &c. &c.

Sir, Macao, 22d November 1829.

I BEG leave to acknowledge the receipt of your letter of the 20th, and at the same time I take the liberty to assure the president and select committee, that my letter of the 18th was written under feelings very different to the motive imputed to me; and I can only regret that the president and select committee should have considered me capable of entertaining the remotest idea of offering any obstacle to the carrying into effect their present views.

I have, &c. &c. &c.
(signed) *W. Hope.*

8.—(No. 1.)—ADDRESS to Viceroy, and his Reply on Disabilities of Trade, (Oct. 15th, Par. 1.)

EXTRACT China Secret Consultations, 5th October 1829.

The President, Messrs. Plowden, &c. to His Excellency the Governor, &c.

A respectful statement.—On the 3d of the present moon, we received your excellency's important edict, declaring that Lew-yang-kuh, that is, Lew-ching-shoo, who formerly had the management of Tung-shang-hong, would be sent for from Ganhwuy and brought to Canton to be dealt with; also, declaring that, if there were substantial persons who could be depended on, you desired to constitute them merchants for foreign trade. We thank your excellency for the intention of bringing to Canton, bearing money with him, the above-named person, and for the design of adding to the number of merchants for foreign trade.

But since there is that intention, and no one will accept of the invitation, there must be some secret cause. As your excellency is placed in an elevated situation, and has not intercourse with foreigners, selfish men have an opportunity of presenting solely their own selfish views, and the true state of affairs is not made manifest. Hence it is incumbent on

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us to state in detail, the mode of management which foreigners wish for, according to the enlightened principles which all great commercial nations fully understand.

The sentiments we now present have not by any means been hastily adopted, but are the result of long deliberation. For the existing regulations by which commerce is conducted at Canton have now become antiquated and decayed. The old mode of management does not suit the present state of the commercial world. Hence the foreign commerce at the port of Canton is at this moment in a most ruinous condition.

If government will not take the mode of management, and radically reform it, there is reason seriously to apprehend that the trade cannot be restored. If still, instead of a radical reform, the affairs be glossed over, merely to stop censures from higher authority, the evil day cannot be long averted. Unless an immediate reformation of the mode of intercourse between natives and foreign merchants take place, the trade of Canton cannot be preserved. This is what every body knows.

Not only we, who reside in Canton; not only the Company in England; not only the government of the English possessions in India; not only the English merchants in China and India, who clearly understand the principles of commerce; also the American merchants, the Dutch merchants, and the merchants of every nation, one and all, know it; but the Hong of Mandarin merchants, who may seem to have made money by the old mode of management, also know very well that the present state of affairs absolutely compels the adoption of some great change in the management of commercial affairs at Canton. Beside, the local government has sanctioned the idea of appointing more merchants for foreign trade; and His Majesty has, in consequence of the embarrassment of the Hongs, allowed an extension of the term of paying the public contributions towards the expenses of the army. Thus it may be seen that high and low are all aware of the distresses of commerce at Canton.

Unless it be determined to ruin entirely this important and great commerce; unless it be determined to force thousands and tens of thousands, who depend on this commerce, out of a livelihood, and to sweep away the revenue derived from it, the old regulations must be altered.

If the old regulations be not immediately altered, a necessity will be laid on foreign ships to seek some other place where, for slight cause, they shall not experience extortion and detention, and there trade, just, as of late years, many small vessels of all nations, bringing cargo, have not entered the port, but remained outside, going and coming when they pleased, and carrying on a smuggling trade. These illegal proceedings have been occasioned by the clandestine fees to a large amount extorted, and the detention and trouble to which these small ships were subject. Thus a defalcation in the revenue occurs, and constant danger of disturbance exists. Since we earnestly desire that the commerce of Canton may revive and prosper, and hope that the regulations suggested below must appear to your excellency as necessary, just suited to the times, and those alone by which this trade can be preserved, we respectfully state them in order, as follows;

There are two reasons why opulent and respectable men will not come forward and voluntary undertake the duty of Mandarin Hong merchants. First, because the Hong merchants are often subjected to insult, extortion, and vexatious detentions at the hoppo's-office, by the kingching secretary, the attendants, the clerks, &c. to a degree that it is difficult for the human feelings to bear. Therefore, people are unwilling to become Hong merchants. A rich merchant's son has been heard to say,

" Ning wei yih chih kow,
Puh wei yang shang che show."

I had rather be a dog
Than a head Hong merchant.

Secondly, according to the old regulations, when once a man entered the Hong, he became a prisoner for life. Although by the toil and labour of many years he had attained affluence, was now old and his strength declining, and owed no one anything, he was not allowed to retire and return home. A Hong merchant has said, " I would willingly give eight tenths of my property to government if they would allow me to retire, go home, and enjoy the remaining two tenths." This being the case, how can an invitation succeed in bringing any to purchase the hateful responsibility of a Hong merchant?

This old regulation must be altered, for if not, no one will fill up the places of those Hong merchants who are falling off one after another. If the laws allow Hong merchants to retire when they please, after having cleared off their accounts; also, if they disallow the hoppo's secretary and others to insult them, extort money from them, and for trivial causes detain them whole days in the public office, thereby preventing them from attending to the business of their hongs; moreover, if at the time of becoming a merchant to deal with foreigners, no fees are exacted for a license; then we consider that there are many outside shopmen and small merchants, perhaps twenty, thirty or more, the more the better, who would be willing to obey the invitation of Government, and come forward to engage in foreign commerce.

But to cause the new merchants to assist the commerce, while they themselves obtain just gains, and punctually pay the national revenue, it seems necessary that the suggestions below drawn out, and respectfully stated to your excellency, for your examination and approval, should be adopted.

First, Tung-shang-Hong must not be allowed to fail; but Lew-ching-shoo, bearing

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money with him, must return. If Tung-shang-Hong fails, foreign creditors will doubtless become clamorous, and require the immediate payment of all their debts. They decidedly will not submit to be defrauded of their property, and afterwards wait five or six years before the whole amount is paid.

Second, The new merchants for foreign trade, whether twenty or fifty houses, must not have to pay the debts of other hongs that fail. Neither natives nor foreigners are to be paid; but each hong shall be required to pay only its own debts. Thus, an excessive trust in hong merchants will be wholly eradicated; and foreign merchants must not demand of the remaining hong merchants, nor petition Government to obtain payment for others who fail.

Third, The old hong Mandarin merchants, from the day that the new regulations are officially proclaimed, must not pay the debts of other hongs. But on that day they must pay off entirely what they owe, or if not, they must that day be required to make known to all men the amount of their debts.

4. The debts of the hongs which have already failed and are not yet paid off, must be paid by a per centage on all the export and import trade, annually passing through all the hongs. A small per centage from the whole amount will be sufficient. Both the new and the old hongs must all equally pay according to the same regulation; for if not, the old hongs will not be able to stand long; further, the old debts must still be paid according to the times already fixed.

With respect to duties, since the foreign merchants have repeatedly waited long for the payment of hong merchants' debts, it seems reasonable that government should extend the period of payment. In a few years the per centage will be sufficient to pay all off, after which it will cease: for henceforward, if the new regulations are adopted, there will never be occasion for the aid of the per centage.

5. The import duties must be daily levied and paid within five days, the same as in the case of exports; thus there will appear no responsibility for duties. Being paid daily, there will never be a day's failure; and the advantage of duties being daily paid sooner and more certainly will be ensured.

6. It will be necessary to allow foreign merchants to hire warehouses, and have them under their own management, that they may preserve the goods deposited in them; for according to the new regulations suggested, since there will be no security merchants, and the new merchants may sometimes be without capital, this regulation is indispensable. Again, the foreign merchant when he warehouses his goods, must pay the duties in cash the same day through the officer appointed by Government, without passing through the hands of the hong merchants or linguists. Thus there will be no fear of smuggling.

7. None of the hongs for foreign trade shall be required to become security for foreign ships, if the regulations above suggested be made law; since the duties will be daily paid, no occasion will exist on that account for the responsibility of security merchants; and as to other affairs, since the security merchants really cannot control the actions of foreigners, the law requiring security merchants only assists the hoppo's office to make pretexts and extort money; so that both natives and foreigners are vexatiously hindered and distressed by minute interference. Further, foreign ship captains shall not be required to employ either for their factories or ships Government appointed compradores, because the compradores who purchase a license, having to pay so much for it, when they buy provisions, are obliged to charge exorbitantly to refund themselves; this is a great grievance to foreigners. It is reasonable that all ship captains should be allowed to employ whom they please to go to market, and with ready money purchase provisions at the market price.

8. For the entrance of foreign ships into the port, the charges at present exacted by all sorts of offices must be diminished; after which, those remaining to be paid should be in proportion to the size of the ship; small ships doubtless paying less than large ones; and the money to be levied should be paid on board ship by the captain to the proper officer, who shall immediately give a receipt to the captain.

Again it is said, that hereafter, ere long, according to every ones opinion in Europe, there will be changes concerning the regulations for conducting the China trade, and many small ships will come which cannot pay heavy portcharges. They will be obliged to stay outside, which will lead to smuggling and disturbances and loss of revenue. Thus the revenue, instead of being increased, will perhaps be reduced one half or more, till at last no ships enter the port, and there will be a total defalcation of the revenue, and a great deal of disturbance and confusion.

The mode of managing above suggested has been carefully examined and deeply considered; and we now state it to your excellency, because the old regulations for conducting the foreign trade have at last fallen to the ground; and although those suggested may not be altogether perfect, they are still more desirable than the present utter confusion and ruin both to natives and foreigners. In stating these things we desire to point out which is for the true welfare of all parties, if we may thereby preserve the trade of Canton. We have therefore respectfully drawn out the above suggestions in detail, and humbly hope your excellency will immediately favour them with that consideration and careful examination which their importance demands, and grant your approval, that they may forthwith pass into laws.

With profound respect, this document is laid before your Excellency, &c.

Governor Le in Reply, dated October 11 :—Received October 14, 1829.

Le, Member of the Military Board, Governor &c. &c. to the Hong Merchants.

THE English chief, Plowden, and others, have represented. (*Here there is an entire copy of the Committee's last letter.*) Secret Consultations, 14 Oct. 1829.

On this coming before me, the governor, I find that the affairs of the Hong merchants have of late become "sickened and debased."—It is right for me to adopt measures which shall be adhered to.

Among the several topics which the said chief and his colleagues have suggested, there are some which may perhaps be adopted.

I have ordered the treasurer and judge to meet and deliberate on the subject; and I hereby order the Hong merchants to communicate my commands to the said chief and others, that they be acquainted with (or informed of) this.

Let them wait till the treasurer and judge take the statement of the said chief, and with all their hearts and minds examine deeply, deliberate safely, on each and every point suggested, and then report clearly back to me, that I, the governor, may re-examine, decide and order obedience.

These are the commands.

Taou Kwang,
9th Year, 9th Moon, 14th day.

(No. 2.)—EDICT of Viceroy, brought by Hong Merchants; 1st November. (Nov. 23d, par. 6.)

Le's, Governor, &c. Commands to the Hong Merchants.

IT appears that Hong merchants for foreign trade have successively shut up and stopped, and that now only seven remain. Secret Consultations, 1 Nov. 1829.

Yen, the former hoppo, reported to the emperor, and received an imperial command, that hereafter, if any persons of good family and property should request to be made merchants, they should be sanctioned and make a trial; respect this.

Now moreover the English, the Indian and the Dutch foreign merchants have all petitioned, requesting that more Hong merchants should be made, and the road of commerce more widely opened. It is doubtless right to hasten and publish an invitation to become merchants, that help may be afforded. Uniting these circumstances, an order is forthwith hereby issued to the two directing merchants, Howqua and Mowqua, to assemble the other merchants immediately, and from among persons with whom they are well acquainted, invite some substantial ones to become merchants. Avail yourselves of the time in which I am acting hoppo, and only being security that the merchants are truly substantial, bring them to my office, and I will immediately sanction their acting. All the old fees of the hoppo's office I will certainly dispense with; and none of my servants, clerks or secretaries shall be allowed to extort a candareen or a cash. If you can bring several merchants, the more the better; but if you continue to gaze idly about, and not on an early day contrive for yourselves, hereafter you will find it impossible for a single beam to support the house, and the evils will be more than you can count with your fingers. Why will you not see your own danger?

As I am now acting hoppo, I am not afraid to instruct you earnestly, and command perspicuously, wishing you to consider deeply, and be anxious for things distant, that you may hasten to devise measures which all may put their hands to the burden, and then it will be easily lifted.

Thus the public concerns will be preserved entire, and you will thereby protect yourselves. Both ends will be obtained.

At present a new hoppo is on his way from Hwae to Canton. In little more than a couple of deeades he will arrive at his office; and he will then be solely responsible for what is done. After, I will deliver up the seals, I shall not overpass my own dish to contrive for another person. Earnest, earnest are these commands.

Taou Kwang,
9th Year, 9th Moon, 25th day; (October 22d, 1829.)

(No. 3.)—ADDRESS to Viceroy, and his Reply and Edict respecting Ship Bridgewater: (November 23d, par. 9 & 10.)

Messrs. Plowden, &c. to his Excellency the Governor, &c.

A respectful address.—We had to be thankful for our former statement having been examined and replied to on the 14th of the 9th Moon, "sanctioning and commanding the treasurer and judge of Canton to take the several topics suggested, and with all their hearts deliberate carefully on each, and report the result to your excellency." As yet we have seen neither report nor decision how affairs are hereafter to be conducted. Secret Consultations, 3 Nov. 1829.

Our views are still the same as before stated; and every day elicits more evidence that the several topics suggested are one and all proper and necessary to be granted. Since at Whampoa and Canton there is now no commerce, and till it be decided to concede, it

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seems as if there could not be any, we request that the grand chop of the Company's ship (commanded by Manderson) may be immediately issued, and that she may quit the port and go and join the multitude of ships of every sort which are anchored outside, and that we may hereafter act as we see proper.

While writing this, we also send an order to Captain Manderson to spread his sails and go out of the port.

For the above special reasons, we, with great attention and respect, lay this before your excellency, that you may examine and grant, &c.

6th day, 10th Moon, 9th year of Taou Kwang;
November 2d, 1829.

Governor Le to the Hong Merchants, in reply to the Committee's Letter of November 2d, 1829; issued the 6th, received the 8th.

Secret Consultations, 8 Nov. 1829.

Le, Member of the Military Board, Governor of Canton, &c. hereby issues his commands to the Hong merchants.

The English chief, Plowden, and the others, have presented a statement, saying,—(*Here follows a copy of the Committee's letter of the 2d.*) on this coming before me the Governor, I hereby, according to the facts, issue the following reply :—

Sometime ago, the said chief and others presented a statement of various particulars; to consider which, with all their hearts, I directed the treasurer and judge to meet. Since that time I have repeatedly urged them to send in their report, and in a few * days it may arrive. Let the said chief and others quietly wait for orders to be obeyed.

As to the request for Manderson's grand chop, I find, on examination, that foreign ships must first be measured, and pay the duties according to law, ere the grand chop be given. Now although Manderson's ship has been measured, she has not delivered her cargo and paid the duties; how can a wilful disobedience to old laws, and an abrupt request to give the grand chop, be admitted?

Beside copying the statement sent, let one be given to the said merchants, that they may forthwith paste it up against the foreign factories. And order explicitly the proper security merchants to be still more attentive, and take precautions to guard against illegality †; and let him instantly urge Manderson's ship to open her hold and deliver her cargo. This is important—oppose not. These are my commands.

Taou Kwang,
9th Year, 10th Moon, 10th day.

(No. 4.)—REPORT of Judge and Treasurer; received 12th November. (November 23d, par. 15.)

Governor Le, in reply to the Committee's suggestions of October 5th; dated 10th Nov. received 12th, 1829.

Le, Member of the Military Board, Governor of Canton, &c. to all the Hong Merchants, for their full information.

Secret Consultations, 16 Nov. 1829.

It appears on record, that the English chief Plowden, and others, presented several suggestions concerning commerce, which I commanded the treasurer and judge of Canton to deliberate about, and state clearly to me the result, that I might examine and decide: those officers have met, deliberated and reported. They say;

1st. Substantial merchants not being allowed to retire, is a regulation reported to the emperor by a former governor, Pak, and received the imperial sanction. At present, if that which the said chief requests were granted, that hong merchants might retire, then as there are at present but seven houses, if the substantial merchants were allowed to make pretexts, and retire from business, then there would remain only a few embarrassed houses, which would occasion failure of the revenue; and foreign debts could not be paid, which would involve in trouble persons from remote parts. That which is requested, it is decidedly difficult to grant. If indeed hereafter a great many new merchants be made, and they are all substantial and intelligent; and should any of the old merchants be really incapable of transacting business, then they may petition the governor and hoppo, and beg to retire, waiting for an answer, which they must obey.

2. As to what is said, that substantial men will not become merchants, because they are subjected to insult and extortion by the hoppo's secretary, clerks, &c., and are required to pay a fee, we find, that concerning an invitation to become new merchants, the governor has already issued an intensely urgent edict, commanding the several hong merchants themselves to invite, persuade and induce some to fill the situation. Moreover, he commanded them to avail themselves of the time of his being acting hoppo, and he would dispense with all fees, and not allow any of his servants to extort a candareen or a cash. This

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* The expression usually means two or three days.

† The phrase is the usual one when the war-boats are ordered to guard against ships of war, &c.

This is what all the hong merchants know; and hereafter when the new hoppo receives the seals, he will no doubt strictly enjoin his servants and clerks that they are not allowed to extort money.

3. Another topic adverted to in the representation sent in is, that Chunqua's hong should not be allowed to fail; we find that Lew-ching-shoo, of Tung-shang-hong, has already been written for by an official communication sent from the governor to the fooyuen, of Ganhwng province, and bring him up, and forward him to Canton. It is right to wait till the day when Lew-ching-shoo arrives, and then contrive and manage.

4. Again; it is suggested, that the new-made hong merchants should not pay the debts of other hongs that fail. We find that an imperial order has been received, sanctioning the making of merchants, with the security of one or two existing merchants. Hereafter, should a failure occur, only those who became sureties will be required to pay for the others. The merchants who did not become sureties will not have to regard or be anxious about it; but the fixed law is, that foreign merchants shall deal only with hong merchants, and they are by no means allowed to lend money to hong merchants. Hereafter, foreign merchants shall be disallowed to lend money secretly to hong merchants. In all barter transactions, let the foreign merchant at the close of the year, when buying and selling affairs are completed, himself report clearly to the hoppo whether or not the hong merchants owe him money; and let every hong merchant report to the hoppo distinctly whether or not he is in debt, giving a bond to that effect, to be examined and produced as evidence. They must not as heretofore, when ships quit the port, vaguely assert that they are not indebted, and to slur over the business. After this consultation, in obedience to orders, shall have been reported, if any hong merchant fail, let it be ascertained whether the foreign claim had been reported to government, and if so, then according to law let the debt be paid. But if it had not been reported, then let it not be paid; and if an appeal be made to government against the creditor, let it be disregarded.

As to the foreign merchant who, in disobedience of the laws, secretly lends money to hong merchants, let no prosecution for recovery be allowed, and, no doubt, that will eradicate the evil of foreign merchants giving unlimited credit to the hong merchants.

5. Again; it is said the hong merchants must pay off entirely what they owe, if not, they must be required on that day to state publicly, that all men may know how much they owe, &c. As to debts owing by hong merchants to foreigners, whether they shall be prosecuted for or not, must be decided by the preceding regulations; at present, what debts are owing by hong merchants to foreign merchants, no government office has the means of knowing. It will be right to order the foreign merchants and the hong merchants to make up their accounts, and report the same to the hoppo's office, to be there examined. If the hong merchants defer long in paying, then may the foreign merchant be allowed to prosecute for payment. If hereafter other debts be incurred, let a distinction be made, and the affair managed according to the new regulations.

6. Again; it is said, that for the hong debts, a small percentage will be sufficient, and for the hongs which have already failed, owing money to foreigners heretofore, application is made to all the merchants, who annually from the Consoo charges pay according to the amount. If new hong merchants be made, it will be right that they also should pay. Since for the hongs that have already failed owing money to foreigners, a certain number of years has been fixed, in which to pay the whole amount; if again a small deduction be made, it will necessarily protract the time. Not prevent the practicability of paying off in the number of years originally fixed, which will be still more inexpedient for the foreign merchant, it is right to continue the old rule.

7. Again; it is said, the import duties should be levied daily, and paid within five days. We find that the woollens, camlets and other goods imported, are landed by the foreign merchants, and stored up in the foreign factories. If sometimes the price falls a few days, how can he sell his goods. Beside, the melting and forming prime silver, to pay the duties, requires a few days; if the period of paying the duties be too short, it will be attended with a great many inconveniences. Hereafter, it will be right to require the duties to be paid within 20 days from the day of examining the goods. Goods sent to Canton often arrive without the owner arriving at the same time. When the goods arrive first, let the captain of the said ship, and the appropriate foreign merchant, be responsible for the duties. As to foreign merchants, who store up their goods in the foreign factories, after they have done so, if the goods be sold to a hong merchant, the duties shall be paid by the hong merchant, according to the time limited. If they are not yet sold to a hong merchant, and the period for paying the duties has arrived, the foreign merchant will be required to pay over the duties to the security merchant at the limited time.

8. Again; it is said that the foreign merchant should be allowed to rent warehouses, &c. We find that import-cargo, whether the hong merchant has fixed the price or not, is all delivered and stored up in the security merchants warehouse. Woollens and camlets being very valuable commodities, before the price is fixed by the hong merchant, they are stored up in the foreign factories. Now the chief desires himself to rent warehouses, to store goods in. Since, however, it does not accord with former regulations, and it is apprehended connexions would be formed with traitorous Chinese, and disturbances created, where it would be difficult for the hong merchants to search and examine, that which is requested decidedly cannot be done. His paying the duties himself is also a subject concerning which it is useless to deliberate. But goods stored in a hong merchant's warehouse, if before the price be fixed, the foreign merchants say clearly the money must be paid before the goods be removed, and the hong merchant clandestinely sell them, and does not pay the

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money for them, then the case will not be different from robbing and selling them; and the foreign merchant will be allowed to give information to government, and prosecute for the recovery of the money according to law. Still let the hong merchant be ordered, that when he has completed the purchase of the cargo of any foreign ship, he shall report the same to the hoppo's office, to be preserved on record.

9. Again; it is said that neither security merchants nor compradores need be used, &c. We find that heretofore the law has been, that foreign ships entering the port, they must throw themselves on a hong merchant, to become security for them. The security merchant requests government to measure them, that they may unload; and all the duties and affairs of the said ship, coming in and going out of the port, and requesting a port clearance, must be managed by the security merchant. The security merchant must also examine whether the ship has on board or not prohibited cargo. Unless security merchants be employed, there is no person to make responsible, which, on many accounts, is very inexpedient. As to the appointment of compradores for foreign merchants, and giving them a license to act through the tungche of Macao, it is to purchase provisions for the foreigners. If compradores be not appointed, then foreigners dealing with the natives will perhaps fall into disputes about the increase or diminution of the price, and disturbances be occasioned. The request now made, that security merchants and licensed compradores be dispensed with, it is inexpedient to grant. As to what is said, that when compradores request a license, a great deal of money is required, it is right to order an investigation into the subject. What is proper to be done away with, let it be forthwith done away with; and what is proper to be diminished, be forthwith diminished, and no extortion be again permitted. Further: Order the hong merchants occasionally to stick up against the consoo-house a list of the market-price of provisions, for the information of all foreign merchants; then if compradores make an exorbitant demand for the price of things, the foreign merchant may himself refuse to give it.

10. Again; it is said that foreign ships entering the port, the fees and charges of all the government offices must be diminished; and for the remainder that it is proper to levy, they should be according to the size of the ship. We find that when foreign ships entering the port, the measurement fee being divided into three classes, is a fixed regulation of long standing, how then can we deliberate on diminishing it. The enter-port fee is the same on all ships, whether large or small. There is here unavoidably a want of discrimination; but this is a regulation which has existed ever since the reign of Yung Ching; and has been acted upon for more than a hundred years, and mutual tranquillity has been preserved thus long. The money as it is levied on the ships is forwarded to the board of revenue at Pekin, and is by no means received by the government officers of the province of Canton. Now the said chief requests that a distinction should be made between large and small vessels in levying the fee; but this is taking a long fixed regulation, and abruptly expecting it to be altered; and this implies changeableness. Besides, this business must necessarily be reported to the emperor, and his pleasure be requested to deliver the question to the board for their consideration: whether it may be granted or denied, cannot previously be known. Moreover, suppose the board does agree to diminish the charge, and receive His Majesty's sanction to do so, still the foreign ships of other nations have this year all paid according to the old regulation, and made every possible despatch in taking down cargo, and quitting the port. The English alone, one nation's merchant ships, have delayed; if at last they obtain a diminution, it will be managing in two ways, and will not be viewing all with equal benevolence. It will be right that this year the foreign ships of all nations in one manner pay the duties according to usage; afterwards, whether the present fee shall be diminished according to the size of the vessel, after an imperial order has been requested, the board deliberated and reported if His Majesty graciously sanction it, it will be right to commence on the day in the 10th year of Taou Kwang, on which the board's answer is received, and in obedience thereto levy a smaller sum.

11. As to what is said, that the measurement charge should be paid by the ship captain to a government officer at the time of measurement, and a receipt be given to the captain, &c.; we find that the measurement of foreign ships and other charges have been heretofore managed by the hong merchants; and foreigners were not originally required to have any intercourse with government officers. It is right to continue the old rule.

12. Thus the affair comes before me the governor, and examining the result of the deliberations on all the several topics, they all appear equitable and suitable. Beside publishing by proclamation this decision, I order the hong merchants, in obedience hereto, to take the several decisions resolved on, and enjoin them on the English nation's chief, Plowden, and the others; and also on the foreigners of every nation, that they may yield obedience thereto. Oppose not; these are my commands.

Taou Kwang,
9th year, 10th moon, 14th day.

(No. 5.)—REPLY of Committee to that Report addressed to the Viceroy, (November 23, par. 20.)

Reply to his Excellency the Viceroy at Canton.

Secret Consultations, 16 Nov. 1829.

AFTER an interval exceeding one month, and after your excellency had repeatedly urged the treasurer and judge to hasten and report upon the propositions sent in by us on the 5th October, at length their report has been received, and the governor appears to have given it the sanction of his authority, without further examination into its merits. We feel called upon to observe, that our astonishment has been greatly excited by the perusal of this document, which evinces, on the part of those two officers, a determination to treat with contempt and neglect the propositions we offered, for the purpose of ensuring, not the permanence and well-being only, but the very existence of the foreign trade of this empire, entrusted by the emperor to your management; the destruction of which, apparently now pending, it may prove difficult for your excellency to account for satisfactorily to that high authority. The more we examine this reply the more we are surprised that officers who, from their rank, should be supposed to be endowed with talent and judgment, should imagine that we are so ignorant or so blind as to be deceived by their glossing pretexts and false arguments, or that we are to be cajoled and turned from our purpose by the paltry expedients which their ignorance only of our feelings and resolutions could induce them to venture upon proposing as a plan to satisfy us, or to recover to your excellency's government the valuable trade you have apparently lost. We may add, that we could the less expect such an answer, after the declaration yourself have made, that the "old system has become sickened and debased." This report then of the two sye officers, seems in precise contradiction to your prudent and wise declarations; we beg, therefore, that your excellency will reject the report; and, guided only by your own better judgment, grant all he points we at first submitted to you.

Though the true opinions of these two officers are difficult to be discovered under the heap of useless words from which we have to dig them, we take leave to offer a few remarks on them severally.

1st. They recommend that the merchants be not allowed to retire; they say there are now seven hongs to trade with; were there really seven substantial hongs, it is possible the old system might still linger on for a short time. The fact is, there are only three hongs remaining, which are Howqua, Puankhequa and Goqua. Fatqua's and Kinqua's hongs have for a long time been just ready to break; a trifling matter will make them fall. Chunqua is a bankrupt, and cannot transact any business; and Mowqua has declared he cannot pay the amount of even small foreign debts; and, besides, we hear that petitions are prepared to break him also. It is therefore useless to contend that there are seven hongs; and no one can be deceived, if it is proposed to carry on our immense trade with only three houses, some or all of which may shortly be involved also. If merchants cannot be firmly assured that they may retire when they please, it is in vain to publish requests and urge new men to come in. No man, who is not a fool or mad, will willingly run into a trap from which he cannot hope to get out. If, therefore, new merchants cannot be got, we must be allowed to trade, without limit or restriction, with whom we please.

2. The hoppo extorts a fee, as well as his secretaries and servants, on the appointment of a new merchant. It is certain, however, that he will have no opportunity to do so again, for no new merchant will offer, for the reasons given above.

3. We are not assured that "Lew-shing-shoo" will come back, and bring money with him to pay his debts to foreigners. If he does not pay them there will be trouble and confusion.

4. If new merchants are to be secured by two others, the old system, though rotten and debased, is persevered in; debts will be contracted, and hongs fail as before. Besides, who will secure the two merchants who are required to give the proposed security? It is in vain to order that this trade be a barter-trade, and no money lent; it is impossible to continue for one year under such vexatious regulations as are proposed in the paragraph now under notice.

5. The old debt owing to foreigners is very large. To many this money is the whole provision they have for their families and children. Will men remain quiet, and see this taken from them? But as the trade is not going on, nor will the government officers leave off their extortions, and allow it to proceed, how can the merchants suddenly pay the whole amount? or how can we appear and prosecute? We, therefore, now beg that your excellency will order that this may be managed, and the money paid immediately.

6. As the trade of all other nations has gradually been almost driven from Canton, and the British trade alone remains of large amount, paying debts from Consoo charges, is really making us pay the whole. The debts must be paid, and that shortly; but it is not just that we should be made to pay ourselves. The plan we proposed was intended to assist and point out a way; but as the merchants who are indebted are mandarin merchants, acting solely by authority of government, we must claim from the government the true and full amount.

7. We clearly stated that we did not require time to watch the prices, and sell our goods, before paying the duties. The amount of the duties may be determined the day the goods are landed, and payment made at once. If we pay the duties directly to government, no collusion of merchants or linguists can take place.

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8. When the cargo of a foreigner was, at a former time, stored in a merchant's warehouse, and stolen by him therefrom, it was found difficult, almost impossible, to get redress. We cannot trust our goods in the hands of any body over whom we have so little control; we must have safe warehouses where there are no sure merchants. We are told to prosecute, and obtain redress for our grievances; but the Chinese courts of justice are closed against us, we cannot appear in them. How then can we prosecute?

9. Ourselves, our officers and crews, are not children to be controlled and managed by a security merchant. As that person cannot control, is it reasonable that he should be responsible to government for our acts? Until this custom is changed, it is in vain to expect new merchants to offer themselves. Compradores being appointed to ships is merely a plea to put money into the hands of the lower officers of government. If every one is allowed to buy where he pleases, there can be no frauds and no disputes.

10. Whether the enter-port fee is of old standing or not is of no importance; it is too heavy; it has driven away from the port a great many smaller ships, and has now become too grievous for the large. The measurage charge is quite enough without this vexatious addition. If it be objected that some ships have already paid the full charge, it will be consistent with justice to return it to them, and not make that an excuse for further unreasonable demands on the others.

11. As we expect your excellency will not insist on security merchants being appointed to ships, the captain seems the best person to make the payment of port charges. We cannot be sure that linguists and others will charge us, or pay to government, the true amount.

We have thus answered, one by one, the objections of the judge and treasurer to the propositions we submitted to the consideration of your excellency on the 5th October; and we have done so more from a feeling of courtesy towards your excellency, and respect for the high situation which your excellency fills, than from any considerations that the arguments made use of by these officers demand such an elaborate reply. We consider them futile in the extreme; and, as we before observed in the first part of this letter, they appear to be intended for beings of an inferior order, and not for those endowed with common intellect and capacity; for such arguments surely cannot deceive those who possess the smallest experience. For example, we are told such a regulation cannot be changed, because it has existed one hundred years, as if that which might or might not have been expedient so long ago, necessarily continues so now, when times and circumstances are changed, and demand, not a partial, but a complete change of system, (a fact which every foreigner now in China is clearly convinced of, and has, without disguise, made known to your excellency;) besides, the law of reason and justice always remains the same, nor can any length of time render that just which is in itself manifestly the reverse.

Again, we are told that a proposition is not to be complied with; viz. that of having a few places to put our goods in, until a sale can be effected, because it might facilitate intercourse with traitorous natives. Is it possible that officers so high in rank as the judge and treasurer can seriously think that the authority of government is so weak as to be endangered by the meeting of a few foreigners and natives in a warehouse, for the purpose of buying and selling their goods. Do these officers so mistake our character as to suppose that we foreigners have any wish or design to conspire against or interfere with the concerns of the government? What interest, what inducement could we have in acting thus? We come to this country for the purposes of trade; we indeed demand to have a more free and extended intercourse with the natives with whom we buy and sell, but it is for the purposes of trade alone that we demand it; for that trade, which if conducted as we have pointed out, would increase and secure the imperial revenue. Have not the honourable Company, whose servants we are, always showed themselves the friends to order, averse to and discouraging illicit traffic; and though for a long time numberless ships have (forced by the unwise and unjust regulations of the port) sold and bought their goods outside, and reaped the advantages from so doing, without your excellency's government being able to prevent them, have not the ships of the honourable Company, year after year, entered the port; and have we not patiently endured all the restrictions and illegalities so long practised, and suffered the losses consequent therefrom, from a wish to conform as long as possible to regulations, and preserve tranquillity; but forbearance has its limits; oppressions become too great to be longer borne, and the time is arrived, when, if the legal trade of the port, now apparently lost, be recoverable, it can only be so by a complete change of system, such as we have pointed out to your excellency. It must surely appear to your excellency that the evil is not slight which can induce us to withdraw our last ship from the port without having opened her hatches; which, as your excellency knows, we have been obliged to do. The merchants with whom we have been allowed to trade have become bankrupts, and owe to foreigners a large sum of money. We demand to have this paid, and to take away our property now in Canton, that we have bought and paid for. When one person owes another money, they are no longer on a footing of equality; mutual intercourse as before is at an end, until the debt is paid. In this situation are foreigners placed with your excellency's government, which stands pledged for the liquidation of these debts, and must fulfil its promise. When this is done, and grievances redressed in the manner we have pointed out, it will be time enough to consider if the legal trade, now almost at an end, can be restored. Foreigners who come to this distant country to sell their goods, and return to their homes with the productions of China, (a trade advantageous to both parties,) desire, and have a right to expect from any nation, not in a savage state, to meet with justice in their dealings, and to receive the rights of hospitality. In a word,

to be treated on a footing of equality with the natives of this country, and not as dogs or barbarians, for whom no consideration is due. We are the subjects of a King as powerful as the Emperor of China,—of a King who has vast fleets and armies at his disposal,—of a King who loves peace, and wishes to be, as heretofore, in amity with the august Emperor of China, but who, nevertheless, would not see his subjects wronged without seeking to gain redress.

(No. 6.)—EDICT of Viceroy to Hong ; (November 30th, par. 3.)

Secret Consultations, 20 Nov. 1829.

Le, Member of the Military Board, Governor of Canton, &c. hereby issues his commands to *all** the Hong merchants that they may fully inform themselves.

It appears on record, that the Hong merchants for foreign commerce have successively shut up and stopped; and that only seven houses remain. I, the governor, have already issued orders to the said merchants, every one of them, to find out among their intimate friends, substantial people to undertake the situation, and that all hoppo's fees whatever *usual* on making a Hong merchant would be dispensed with, to make it the easier to induce people. The more the better. This was done to aid the said merchants to procure assistance; but since issuing these orders one month has elapsed, and they have not recommended one person to hold the office with securities. They gaze about and slide on as before, viewing it altogether as a business that did not concern themselves. Is it that with purposed intention they combine to hinder, and wish not that any one should fill the place? The affair is entirely inexplicable. An order is therefore hereby issued to the head Hong merchants, commanding them forthwith to assemble with all the merchants, and to make haste with true hearts to make a selection: half a moon is allowed, within which time to every one of them it is permitted and made easy to invite and recommend merchants from among their intimate acquaintances.

If still they do not invite and advise with the utmost strenuousness, they will not only greatly turn their backs on the heart which dictated my most urgent commands, but they will act in disobedience to imperial commands, for a long time past respectfully received.

If there be, as the said merchants pretend, a holding fast and grasping resistance, how will it hereafter be explained! Tremble at this! Intense, intense are the commands to take the facts of your having received these orders to invite new merchants, and to give an answer which may be examined into. Hasten! hasten! these are my commands.

Taou Kwang, 9th year, 10th Moon, 20th day.
November 16th, 1829.

(No. 7.)—REPLY of Viceroy to Address No. 5. (November 30th, par. 5.)

Secret Consultations, 27 Nov. 1829.

Le, Member of the Military Board, Governor of Canton, &c. hereby issues his commands to the Hong merchants.

On the 26th day of the present moon, the Hong merchants presented a petition from the English nation's chief, Plowden, and the others, which I the governor immediately opened and looked over. The intention and scope are the same as they before represented in several paragraphs; but they have moreover a great deal of disputatious talk, still more perplexed and troublesome. Is it not well known that the topics suggested by the said chief and others were referred to the treasurer and judge for deliberation, and a report to me. I went over every topic carefully, and fixed which to grant, and which to refuse. What is proper has all been settled by consultation, and should forthwith be obeyed and acted upon. As to the things granted, if a Hong merchant were really unable to attend to business, he might be permitted to state it to government, and request leave to retire; this is a correct way of doing it. But for a substantial Hong merchant, whom all the nations regard as one to be depended on and trusted, where is the reason of inducing him to retire?

Again, as to Tung-Haug-Hong, already has an official order been sent to bring him to Canton; and then, doubtless, he will be ordered to take the management of the affairs of the Hong. Whether he will bring money with him or not cannot be previosuly known. If he owe debts, government will prosecute to recover them.

As to new Hong merchants, I the governor, acting as hoppo, have issued the strictest orders, disallowing the (king ching) secretary, domestics, and others, from extorting any fee. Hereafter the new hoppo when he arrives will, I suppose, act in the same manner.

Again, if the Hong merchant be indebted to foreign merchants, it is necessary with the greatest strictness to urge the payment; and if still there be a deficiency, to order a face-to-face clear making up of the accounts, that the payment may, according to the amount, be enforced. This topic is conceded according to the term of the former petition. What occasion for again reiterating it.

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* This word *all* has occurred two or three times of late, instead of the paper being addressed to the *senior* merchants.

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Again, as to a prompt payment of duties, that also is conceded, only the term is ten and odd days, in order to avoid a distressing urgency. This is an endeavour to accommodate feeling, and to suit circumstances. The thing intended is quite right. In public affairs, it will prevent hindrance and loss.

Again, as to enter-port fees, they have long been levied and transmitted to the Board of Revenue at Pekin. The public offices of the province of Canton are not to the extent of a thread or a fibre implicated. Now as to the discriminating between large and small ships, a diminution has been deliberated on; but it is proper to wait till it be reported to to the Emperor, and an answer returned, containing the imperial will, which must be obeyed.

Among the several topics conceded as above, there are some which require deliberation in the management of them; in none of them could a linear discrimination and a complete elucidation be dispensed with. How could people's wishes be all at once complied with, so that afterwards impediments should arise, which would make the affair difficult to be carried into effect.

As to the things refused, not to employ security merchants, not to employ compradores, to rent of themselves warehouses, &c. These arrangements really arise from the consideration of foreign merchants coming hither several times 10,000 miles, where the men of the land are different, the sounds of the mouth do not correspond; hence for imports and exports, security merchants, to manage business instead of foreigners, are provided. To prepare necessaries and victuals, there are compradores to purchase them, and to prevent altercation and disputes about the price between natives and foreigners. These laws are perfectly good, and doubtless it is quite unnecessary to alter them. If it be said that the compradores open foaming accounts, I have already given strict orders to distinguish and show what may be entirely done away with, and what may be diminished, disallowing any extortion, and if any one purposely disobeyed, sanctioning immediate punishment to the compradore. This would, no doubt, prevent any one being imposed on by them again

Again, as to renting factories, this leads to more intimate connection with natives, and is, on many accounts, very inexpedient. It is better still to deliver over goods to Hong merchants care; and all dangers from water, fire, and robbers, devolve upon the Hong merchant to guard against. This really is safe and suitable. The whole responsibility devolves upon the security merchant. Not renting warehouses is a plan that perfectly secures the foreign merchant. How is it that the said chief and others, who have resided in Canton, have not yet examined into the evils in some of these things.

In all these matters, whether granted or whether refused, in what concerned the foreign merchant, I, the governor, have not omitted to go round the minutest point. How is it that the said chief and others are still insensible of this intention to compassionate them.

To sum all up as to commerce, let the said nation do as it pleases. As to regulations those that the Celestial Empire fixes must be obeyed: there is no use in vain multiplication of discussion and disputation.

Let the Hong merchants forthwith take these commands, and enjoin them on the English chief Plowden and the others, that they may know them. A special Edict.

Taou Kwang, 9th year, 10th moon, 28th day.

(No. 8.)—REPLY to Viceroy's Edict, No. 6; (14th December, par. 4.)

Reply to the Viceroy of Canton.

Macao, 30th November 1829.

Secret Consultations, 30 Nov. 1829.

We have to thank your excellency for your reply to our last address: we are unwilling to trouble you with long explanations and arguments to prove the justice of our claim and the close connexion of our several propositions one with another. The plan we have long since proposed for restoring the trade, fearing it was not well understood, we have lately explained clearly by letter to the merchants. We feel grateful for your decision that all foreign debts are to be paid; it evinces a great regard for justice. These debts are of very large amount, but the account can be immediately made up; and we trust your excellency will issue your commands that it may be as instantly paid off to the last cash. The existence of this debt is a great difficulty to filling up and adding to the number of hong merchants. When the old debts are paid off, outside men will not have so much fear of being involved, and may perhaps join the hong. We fully appreciate your exertions to increase the number of hong merchants; we hope a portion of the difficulty has thereby been removed; but still, after so long a period, and so many edicts have been published, no new men have appeared. This seems strange and unaccountable; it can only be explained by looking back upon the reasons we before stated. One thing, however is clear, that without more merchants, trade cannot go on; therefore, as men will not come in, we must be allowed the only alternative, the liberty to buy and sell with whom we please.

Your excellency has not yet granted us leave to take away our property, as we requested; we beg that the merchants may be ordered to send down our cargo, which is stored in their

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their warehouses, immediately, in Chinese vessels, and securely give it up to us. This is conformable to reason and justice.

Your excellency remarks that the laws of the celestial empire must be obeyed. We have always been anxious to conform to established laws; and still wish to do so. We know the value of, and have a proper reverence for, all just laws impartially administered. Your excellency appears to have mistaken our meaning, in demanding a change in certain regulations. A wide difference exists between the laws of an empire, which may be called fixed, and regulations made for purposes of commerce, which from its nature, must be liable to change; consequently, if commerce is to continue in a legal form, the regulations respecting it must be suited to times and circumstances. Your excellency must be aware that this is true; for in the 4th moon of the last year, many changes were made by the hoppo, in conjunction with your excellency, in the regulations for shipping and importing cargo. Without entering further into the subject, we are confident your excellency will see the justice of what we have advanced.

Viewing closely and calmly all these matters, and seeing the utter ruin which has fallen upon the old system, which your excellency has wisely declared to be "sickened and debased;" we beg you will command the immediate payment of all foreign debts; the immediate restitution of our property; and that you will immediately make many new merchants, or give us permission to trade with any one we please. When these things are granted, as we hope they will be, then it will be time to examine into the other points before submitted to your excellency's consideration.

We remain, with the utmost respect, &c. &c. &c.

Signed by the Committee.

(No. 9.)—PROCLAMATION of Viceroy in Reply; (14th Dec. par. 8.)

Secret Consultations, 9 Dec. 1829.

The following edict of the viceroy has been received, in reply to our address recorded on the 30th instant.

Governor Le, in reply, &c. &c. &c.—(Received December 9th.)

ON the 10th of this month the said merchants presented, for the English chief Plowden and others, a foreign petition, in which it was said—

Here follows a copy of the document of the 30th November:

This coming before me, the governor, I have examined into the case. As to the Hong merchants' old debts, I have already caused a consultation, and directed the utmost effort to pay them off; and if they cannot be paid off, that an account be made out with the foreign merchants, as to how much is still owing; that proof of the fact being so obtained, the debt may eventually be paid off according thereto. If the Hong merchants delay the period of final payment, as soon as an appeal is made to government, it will then prosecute. At this time how is it possible to order the Hong merchants precipitately to pay off entirely at the moment what is owing.

As to inviting new merchants, I have already issued the most pressing and urgent proclamations. Persons have already made application at my office, requesting to be made. After inquiry is made, and an answer returned, whether really they be persons of family and substantial property, immediately commandment will be given to them to make an experiment. There is no occasion for reiterated dunning on this subject. As to foreign merchants' goods stored up in warehouses, heretofore when trading the Hong merchant and the foreign merchant consulted and settled about the goods; government had no means of knowing and giving orders concerning their delivery.

Again, as to foreigners being allowed to deal with Hong merchants only, the reason sincerely is, that the goods should be delivered to the Hong merchants for their intermanagement; although the Hong merchants are not all men of substantial property, still they are all persons of family. If there were an indiscriminate commercial intercourse with native merchants, not only would those of substantial property be few, but their personal and family connexions would be still less knowable.

These foreign merchants, with thousands and tens of thousands of property to be delivered over to native merchants, in whom they had not previous confidence, would, it is apprehended, become involved much more than at present.

Beside, the said chief and others before, in their representation, said, "Among the present Hong merchants there are only three substantial houses." Since there are three houses of substantial property, among whom they are perfectly at liberty to choose and sell their goods to them, why would they seek after native merchants, without property, to buy and sell with them, which would lead to being still deeper involved in debt.

How is it that the chief and others have no anxiety about this state of things?

I, the governor, in compassion to the people from remote parts, have not disdained to issue answers again a third time, all the while thinkly deeply, and considering remote consequences, to preserve in entire safety the foreign merchant; and have gone round, with lucid inquiry, into every topic singly. How is it that the chief and others do'nt still perceive it.

If they indulge again in dunning petitions, I, the governor, will assuredly take their petitions, and throw them back; I'll open no more.

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According to the purport of the petition received, I issue these my commands to the said Hong merchants, that they may instantly examine the commands above given, and distinctly and individually enjoin them upon the said chief and the others, that they may obey the tenor thereof, and not again dun with petitions. Tremble at this! Intense—intense—are these commands.

Taou Kwang, 9th year, 11th moon, 11th day.
(6th December 1829.)

(No. 10.)—EDICT of Viceroy to Natives; (14th December, par. 6.)

Le, Governor, &c. to make an affair generally known.

Of late years the Canton hong merchants have repeatedly shut up their hongs, and stopped business. Now only seven houses remain. The late hoppo, Yen, reported the case to his Majesty, and received the imperial will, to the following effect: "If any persons of family and substantial property request to be made hong merchants, allow them to make the experiment, &c.—Respect this."

I, the governor and acting hoppo, have twice issued orders to the hong merchants to select some substantial persons to take the bonds, and to let them fill the situation. All customary presents to the hoppo's office at the time of becoming a hong merchant would be dispensed with; and official attendants, clerks, &c. be disallowed to extort a candareen or cash.

Moreover, the two sye, as ordered in their deliberations, agreed, that new merchants gradually becoming numerous, and public affairs plentifully attended to, if it should occur that any merchant was really incapable of attending to the affairs of the hong, he should be allowed to represent the same to the governor and hoppo, and solicit leave to retire; then wait till he should receive orders, which he must obey. This is on record. After this, those who hereafter fill the office of hoppo, will no doubt act in the same manner.

Being apprehensive that these things are not generally known to merchants and people, and that you still gaze about instead of coming forward, from a supposition that you will have to be at a great deal of expense on being made, and after you are made hong merchants, that you will not be allowed to retire (though I am not sure that this is the fact), I now issue this proclamation to make it distinctly and plainly understood, and fully known by merchants and people.

If any persons of family and substantial property desire to become hong merchants, let them immediately repair to my office and state the same. I shall forthwith direct the facts to be ascertained, and give permission to act.

All fees and charges at the hoppo's office will be entirely dispensed with. At the time of being made a merchant, there will be no occasion to be at the smallest expense. This of itself will be sufficient to help your capital. After being made, trade will no doubt gradually prosper; and I suppose there will be no wish to quit this, and aim at that. But should it really be the case, that there is an inability to act, and no benefit arises to the public service, neither government nor the merchants will like to have this person, and without soliciting to retire, he may retire when he pleases. What occasion is there to be previously anxious about being unable to retire.

I, the governor, being influenced by a wish to regulate well the foreign commercial affairs, am not afraid to reiterate perspicuously my admonitions and commands to you merchants and people. Be careful, and not still harbour suspicions, and stand gazing about. Oppose not. A special edict.

Taou Kwang,
9th year, 11th moon, 6th day, (December 1st, 1829).

(No. 11.)—ADDRESS to Hoppo; (29th December, par. 10.)

Not yet received.

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(1.)—EXTRACT LETTER from China; dated 28th January 1830.

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Para. 10. UPON the suspension of our trade this season, the American merchants, encouraged by the prospect of being the sole purchasers of tea in the market, combined to reduce the price of that commodity below the standard of last year. This combination was for some time steadily adhered to, but was finally overruled by the influence of Howqua, and prices exacted exceeding considerably those of the preceding season. The American merchants have been compelled to submit to this increased appreciation, which in some kinds of tea has amounted to three tales per pecul.

(2.)—COPY EDICT of Viceroy of Canton; referred to in Letter from China, dated 23d February 1830, par. 4.

The following Edict has been received from the Viceroy through the Merchants.

From Governor Le, dated February 2d, 1830; received at Macao on the 5th.

LE, Member of the Military Board, Governor of Canton, &c. to the Hong Merchants.

Extract Canton Secret Consultations, 5 Feb. 1830.

ON the 6th of the 1st moon, of the 10th year of Taou Kwang, a document was received from the English chief, Plowden, and others, saying,—

On this occasion, with respect to what the said chief and others say, that in adding to the number of Hong merchants, they must hope that the new Hong merchants will make the number of names equal to what they formerly were, &c.

On examination it is found that there is already one new Hong merchant 蔭啟元 Yeu-he-tuang, who is allowed to act; and it is heard that there are others who desire to throw themselves into the situation. Hereafter others will successively follow in the same footsteps; so that it may be hoped the number will gradually increase; and having the strength of many to manage public affairs, the ability to do so will be ample. Thus, doubtless, Hong merchants being numerous is best; but in this business wealthy persons cannot be compelled or commanded to act; and it is impossible to decide beforehand how many new merchants may be made. If indeed hereafter substantial families, hearing the report, delight to approach, then, not only may seven or eight new merchants be made, but if there be one or two more, I, the governor, shall be far from not being pleased that they should act.

Again, in case of Hong merchants being indebted to foreign merchants of various nations, the laws are exceedingly severe. When native merchants and traders incur reciprocally debts in trade and apply to government, all that is done is to inquire closely into the facts and urge payment. There is no law to take the debtor and punish him. But Hong merchants becoming indebted to foreign merchants, so that they stop business and impede the revenue, are subject not only to have their estates seized, but they are also punished severely by transportation.

In all the cases in which Hongs have failed, they have never escaped without severe punishment; by which may be seen the favour and compassion shown by the Celestial Empire to foreigners, that it is in a double degree and perfectly complete. How is it that the said chief and others have not knowledge enough to look up and admire this idea? As to what is requested in the document received, that hereafter if any Hong merchant disregard the great principle of justice, on application being made to government, prosecution must be instituted, &c. Hereafter if any Hong merchant commit a fraud, the moment it is pointed out, I, the governor, will assuredly manage the affair according to strict justice; there is no occasion for over anxiety.

Again, as to the enter-port fee; it has already been reported to the emperor, and his commands received to deliberate and make a change; I have already met and consulted with the fooyuen and hoppo on the subject. After the * seals of office are opened, a report will be sent to the emperor; and the amount of reduction on the several ships will doubtless be rated at a proper medium, and the regulation fixed be equitable. It is necessary however to wait till his Majesty's pleasure be received, allowing it to be done ere the amount of reduction on each ship can be promulgated, and the imperial benevolence proclaimed for the obedience of all concerned. If, before sending up the report, the amount of diminution we have decided on should be made public, there is a ten thousand the possibility that when reported to the emperor, he may fix the amount at a little less or more than we recommend; hence to proclaim the amount at this time would not afford sufficient proof to be depended upon, and would not ensure confidence hereafter.

As to deliberating on the diminution of this fee, it was undertaken originally in consequence of the middle-sized and small ships paying as much as large ones. Hence the

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* After the new year's holidays are over.

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resolution to recommend a diminution, in order to show discrimination. But the large ships were not included among those on which a diminution was to be made. If now a report to the emperor were sent in, recommending that the large ships as well as the small ones should pay a reduced fee, it is to be feared that it would be impossible to avoid a refusal and an inquiry.

I, the governor, come to business with impartial feelings, and always measure things by the great medium. If there really be any thing in behalf of foreign merchants that I can look up and beg his sacred Majesty's favour, I must assuredly deliberate on the subject and manage accordingly. Why does not the said chief and others carefully consider this and seek for concord?

Let these commands be enjoined on the said merchants, that they may immediately take the particulars of this reply, and authoritatively communicate them to the said chief and others for their obedience thereto. Oppose not. A special edict.

Taou Kwang,
10th year, 1st moon, 9th day.

(3.).—COPY LETTER from Canton; dated 23d February 1830.

Separate Department.

To the Honourable Court of Directors of the United East India Company.

Honourable Sirs,

Our last address to your honourable Court in this department was dated the 28th ultimo, and forwarded by the honourable Company's ship Bridgewater.

2. We have now the satisfaction to inform your honourable Court, that in consequence of an arrangement that has been effected with the government of Canton, the honourable Company's ships received our orders to enter the river, and commence the immediate discharge of their cargoes, on the 6th instant. We shall have the honor to detail the circumstances which have given rise to this resolution.

3. Upon the first of this month the hong merchants arrived at Macao, but without any official deputation from the government. Their ostensible motive for visiting this place was to take leave of Mr. Plowden, who had embarked for England the day preceding their arrival. They informed us that an answer might be daily expected from the viceroy to our last address, upon which we declined to enter into any discussion with them respecting future proceedings.

Secret Consultations, 25 Jan. 1830.

4. Upon the 5th instant a proclamation was received from the viceroy through the merchants, which will be found in our secret consultations under the same date.

No. 1, of this Packet.

5. The general tenor of this document is of the most conciliatory nature, as well as that previously received from his excellency, and recorded upon the 25th ultimo. Both lead to the conclusion that the government are extremely desirous to preserve the tranquillity which has usually attended the conduct of the trade, and perhaps upon the present occasion have evinced a greater anxiety to restore to its ordinary course than they have hitherto permitted themselves to disclose.

6. The viceroy's edict informs us that one new hong has already been established, and that other persons have requested to be allowed to enter the hong; that he not only is desirous of increasing the number of merchants to its original strength, but will also, if opportunity offers, be glad to extend it even beyond that limit.

7. The progress actually made towards the completion of the original number of the hong is certainly but small, and our knowledge of Chinese character does not permit us to calculate with confidence upon the fulfilment of the promises of the government hereafter; at the same time there are some arguments which support the assertion of the viceroy, that it is impracticable to accomplish this object at the present moment. It has been stated by the merchants that the reluctance to engage in the foreign trade proceeds from want of confidence in the future prospect of beneficial returns to the speculator; that the embarrassments of the commerce discourage persons of property from coming forward, and that those who are now deterred, by such reasons, from presenting their names as candidates for admission into the hong, may be expected, if our ships enter the port, and mercantile affairs are restored to the regular routine, to embrace with pleasure the favourable opportunity now offered to them of entering the trade upon moderate terms. Puankhequa, Goqua, and Kinqua, declared that they were each acquainted with a person who contemplated the establishment of a hong; there appears also to have existed a doubt whether the new merchants would receive the assistance to be derived from a portion of the Company's business being allotted to them upon their commencing their commercial career. We attach such importance to the attainment of new members to the hong, that we shall give every encouragment in our power to enterprise in this line; but before we are acquainted with the character of the new merchants, our transactions with them will necessarily be confined to the purchase of teas from them, and the sale of our imports, for cash payments. An equitable discount will of course be allowed in the latter transaction for the consideration of receiving ready money. It is said that the knowledge of our intentions in this respect will prove a great inducement to the candidates, especially when combined with the resumption of trade, and our personal appearance in Canton.

8. A tea

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8. A tea merchant, named Pun-suy-Lan, has been mentioned as very desirous to enter the hong. This person's name has appeared in our records as the contractor to supply the Fokien Bohea, received from the hong of Chunqua. Though he has proved, on some occasions, a troublesome opponent in the tea trade, yet the energy displayed by him promises a useful addition to the body of hong merchants. The knowledge and connexions of Pun-suy-Lan would, in all probability, render his mercantile speculations successful, and we should feel highly gratified if he is induced to carry his project into execution.

9. The obstacle which has hitherto existed upon the part of the government to obtaining competition in the foreign trade, appears to have been overcome as far as the principle extends, by the creation of one hong. The manager of this is said to have been admitted upon the payment of fees to a moderate amount, and such as will by no means deter other persons from coming forward. The viceroy has repeated the assurances formerly given of the payment of debts, and the punishment of merchants who might be convicted of fraudulent practices, and we have expressed our willingness to rely upon the honour of the government for the fulfilment of these promises. The point which seemed at this juncture principally to demand our attention, was, whether we were justified under existing circumstances in accepting the assurance of the viceroy that the hong shall be restored to its original number.

10. In forming our determination upon this subject we naturally attached great importance to what appeared to be the general impression produced on the minds of the Chinese by the suspension of our trade. The tone adopted by the government towards the latter part of this discussion has evinced serious apprehensions of the ultimate removal of the trade, and it may be hoped that this impression will act as a powerful check upon them in future to prevent the repeated connivance at frauds, such as characterised the bankruptcy of Manhop, and the removal of Chunqua. The latter person having been the cause of such serious inconvenience to the trade, we think will be either severely punished or compelled to return to Canton. If it be true that the conduct of this person has been represented to Pekin, it seems hardly possible that he can escape the heavy displeasure of that court, who must see the necessity of putting a stop to such practices, if they wish for the continuance of the trade.

11. We are rather inclined to auger favourably respecting the augmentation of the hong. We trust that the same effect has been produced in the minds of the Chinese by the continued suspension of the trade that might have resulted from its actual removal, and that the influence of this impression will prevail for some time in checking the encroachments of the government. Upon a review of the circumstances, there appeared a probability of obtaining an augmentation of the hong, through the encouragement that we might give to the new merchants, while the ruin of two or three of the old hongs seemed to be the inevitable consequence of continuing the suspension of commercial intercourse.

12. Considerations of expediency were strongly in favour of an immediate adjustment of differences. The advanced period of the season admitted of no further discussion; and we were called upon to decide between the removal of the honourable Company's ships from the port, and the sending them to Whampoa without delay; the pressure of circumstances admitted of no middle course. It still remained in our power to load and despatch the fleet from China before the arrival of the season which would preclude the hope of their effecting a direct passage to the Straits; but any further postponement of the adoption of this measure would have destroyed the expectation of success. The advances towards an accommodation made by the government gave us a favourable and unexpected opportunity of accomplishing this desirable object upon honourable terms; and we considered that we should not be justified in neglecting to avail ourselves of it. The viceroy had invited us, in the most conciliatory language, to resume the trade. He had given us the most positive assurances that no obstacle should be made to the completion of the original number of the hong, and professed his wish even to extend it. The principle of opposition to the introduction of the co-hong system seemed to have been gained.

13. If our expectations on these points should not be realized, we reflected that we could still look to the arrival of His Majesty's ships from India, in compliance with the suggestions contained in our despatch to the supreme government, under date the 11th ult. as the means of transmitting memorials to Pekin at a more favourable season of the year, and in a more impressive manner. The interval to elapse from this time to that of their arrival would enable us to load and despatch the honourable Company's ships now in the port, without danger of further interruption.

14. With reference to the considerations which have been above stated, we determined to order the honourable Company's ships to enter the port, and commence discharging their cargoes; and we trust that this decision will receive your honourable Court's approbation; the event must prove whether our decision has been judicious. It has been formed upon the hope that such an impression has been produced by the long suspension of trade as has convinced the Chinese of the necessity of making a serious attempt to restore its prosperity; and that this opinion will render the adoption of more extreme measures an alternative which may for the present be avoided. We have addressed the viceroy in reply to that officer's last communication, stating the motives which had induced us to alter our determination of removing the honourable Company's ships from the port; and that we have acted on a firm reliance upon the assurances which his excellency has given, that the attainment of the important objects of the return of the elder Chunqua, the payment of the debts of that hong, and the establishment of new hongs, shall receive every assistance which it is in the power of the government to render.

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15. Since

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15. Since writing the preceding paragraphs, the president has had a personal interview with the tea merchant, Pun-suy-Lan. This person has petitioned the government to be allowed to establish a hong for the foreign trade. The viceroy has passed on the application to the hoppo, by whom a demand of 20,000 tales is said to be made, as the price of admission. Pun-suy-Lan stated his readiness to pay this sum, if it met our approval, with the object of immediately entering into the privileges of a hong merchant, which must be very desirable to him, as a proprietor of tea to a large extent; but he was dissuaded strongly from acceding to the demand, upon the principle that a precedent would be thereby established for the assessment of all subsequent petitioners. If the application of Pun-suy-Lan proves unsuccessful, we shall consider it our duty to address the viceroy upon the subject, which we trust will accelerate the settlement of this question. We feel desirous to see this person established as a hong merchant, not only from the hope that the example may tend to encourage others to follow the same course, but from the character of the man himself, who is said to possess firmness and resolution, which we may find useful in opposing the influence of Howqua in the co-hong.

16. We shall probably be able, by a later despatch, to communicate to your honourable Court more decisive intelligence upon the subject of the preceding paragraphs, as well as to offer an opinion respecting the disposition of the officers of government to fulfil the assurances under which we have recommenced our commercial transactions.

We have the honour to remain, with the greatest respect, honourable Sirs,
Your most faithful and obedient servants,

(signed) *William Baynes,*
Charles Millett,
J. Bannerman,
J. N. Daniell.

(4.)—COPY LETTER from Canton; dated 2d March 1830.

Separate Department.

To the Honourable the Court of the Directors of the United East India Company.

Honourable Sirs,

Our last address to your honourable Court in this department was dated the 24th ultimo.

2. In the concluding paragraphs of that despatch, we informed your honourable Court that the tea merchant, Pun-suy-Lan, had petitioned the government for permission to establish a hong, but that some demur was made, arising from the fees demanded for his admission, which might render it eventually necessary for us to address the government upon the subject.

3. Pun-suy-Lan subsequently informed us, that the obstacles to the establishment of his hong were made in the hoppo's department, and recommended our addressing the viceroy as a measure likely to bring the affair to a speedy termination.

Public Consultations, 25 Feb. 1830.

4. We therefore presented a statement to that officer, expressing a hope that his excellency would not permit the good intentions, which appeared to influence him, for restoring the prosperity of the trade, to be thwarted in any department of the government; we further added, that we had resumed our commercial transactions, under his excellency's assurance of promoting our views in the creation of new hongs upon any favourable opportunity, and that we looked with confidence to see those promises fulfilled.

5. We have the satisfaction to inform your honourable Court, that this representation was attended with the desired effect. The hong of Pun-suy-Lan was proclaimed on the 27th instant, only two days after the presentation of our address; and the day following, another new hong was declared to have received the permission of government to conduct the foreign trade.

6. We shall now have the honour to communicate to your honourable Court such information as has reached us respecting the circumstances and connexions of the three hongs newly established.

7. The manager of the first hong declared in the viceroy's edict, recorded upon our Secret Consultations, under date the 5th ultimo, is one of several brothers, amongst whom a considerable property was divided upon the death of their father, but which left but a moderate sum as the share of each of them; one of the brothers is the manager of a silversmith's shop formerly conducted by the father, who traded also largely in Sycee. The name of the new merchant is, Yeu-ke-Tseang. The hong's name is Hing-tae. To avoid confusion of names, in future we shall adopt the name of the hong to designate the individual who manages it. This mode of denomination appears the most correct, as it has reference to the firm, and can never be changed. The names of persons in China are constantly altered according to the caprice of the individual, and this habit prevails to such a degree that Europeans experience the greatest difficulty in ascertaining the correct appellation of any native.

8. The second newly established firm under the management of Pun-suy-Lan is called Chong-Wo; Pun-suy-Lan's correct name is Puam Wun Taow, in the Mandarin dialect, or *Pun-mun-to* in that of the province of Canton. This person has long been engaged in the tea trade, in which he amassed a property of considerable amount; he is a native of the

the province of Fokien. We understand that he has sustained a heavy loss in his dealings with the hong of Chunqua. This is said to amount to 100,000 dollars, but he is still represented to be a man possessed of large property, and his character stands high amongst his countrymen. We view the accession of this person to the body of hong merchants as a most desirable addition to their number. If capital, to a certain extent, managed by a man of knowledge in the tea trade and acuteness of understanding, can thrive in the foreign commerce, it has now a fair prospect of success.

9. The third merchant acknowledged by the government is named, Ma-tso-leang, in the Mandarin dialect, the name of the hong is Shun-tae. This person has been many years engaged in foreign trade, both at Canton and at Macao, and is well spoken of by the Europeans, who have dealt with him. He is himself possessed of some property, and is connected with a partner who is spoken of as being in very independent circumstances. The partner was engaged in the opium trade, and banished for some offence to Ele, from whence he has returned several years, the punishment of exile having been remitted upon the payment of a fine. This man is said to have been the projector of the new hong, and to possess the largest share of the capital invested in it, but in consequence of the circumstance above alluded to, he could not appear ostensibly as the manager of the firm. We entertain hopes that this hong may prove useful to the foreign trade.

10. It is extremely satisfactory to us to find that the government has fulfilled its promises of the creation of new hongs, as the faith kept upon one point encourages the hope that it will be maintained in others. We hear there are still persons desirous of being made merchants; and shall, perhaps, be able hereafter to report further accessions to the hong.

11. It appears that Chong-Wo-Hong has been permitted to conduct trade without obtaining the security of the other hong merchants. The hong will, therefore, be responsible for its own debts, and these, if incurred, can produce no injury to the remaining members. This is an innovation which we have constantly suggested to the government during the late discussion, and which it appears they have now adopted spontaneously, although unwilling to appear to do it at our suggestion. We would gladly see every merchant placed upon this independent footing, and hope it may continue to prevail in the creation of all the new firms, although we believe that private traders would contend for the preservation of the old system, which enables them to entail a debt by means of the necessities or imprudence of the indigent merchants under the security of the more wealthy; we shall always view the abolition of so unjust a regulation, as calculated, by raising the independence of the merchants, to give vigour and energy to the trade, and consider it the first step towards improvement.

12. While this regulation prevails, there can to all appearances be little difficulty in procuring additional members to the hong. The impediments which must be expected from the old merchants under the former system are principally removed, and a prospect of something resembling free trade is open to us. The only existing obstacle would seem to be the disinclination to encourage competition, which must some time continue to pervade the established hongs; but we trust that this may wear away with time, as our intercourse with the natives improves.

13. We are unable to give your honourable Court any certain intelligence respecting the elder Chunqua's return to Canton; numerous rumours are afloat, upon none of which dependence can be placed; in the meantime we have considered it advisable entirely to withdraw our commercial dealings with the hong of Chunqua, with the view of marking our determination to give no encouragement to the acts of dishonesty which have characterized its management, as well as with reference to the utter inability of the hong, in its present embarrassed condition, to conduct our trade. The continuation of our support would have answered no purpose beyond the liquidation of the debts of European creditors, and your honourable Court have also already expressed your dissatisfaction with that mode of conducting business, in reference to the bankrupt hongs preserved from insolvency through the assistance of the honourable Company in the season 1813–14. Our aid in this instance would in fact have tended to perpetuate a system which we are desirous to abolish, and which we hope in time will become extinct. We have also considered it judicious to give every encouragement in our power to the new hongs which the shares of our trade vacated by the suspension of our dealings with Chunqua enable us to offer. At the same time, if the former partner of that hong should hereafter return, and be willing to re-establish the firm, we shall be ready to resume our transactions with the hong, though perhaps under a reduction of their original extent, till the credit of the establishment has been restored, by a course of prudent and upright management.

14. We have the satisfaction to announce to your honourable Court, that the restriction which would appear to have been placed upon Europeans by the influence of the hong merchants against the residence of females in Canton has been removed, and that this material improvement to the situation here of the factory originated on the suggestion of the merchants themselves, who have probably considered it expedient to conciliate the good will of foreigners in matters which, while they greatly conduce to the comfort of the residents in this country, can be in no way prejudicial to the interests of the trade or the government.

15. After the conclusion of the discussion which has occupied our attention this season, Howqua, upon a visit at the house of the president, gave a direct invitation to Mrs. Baynes to come to Canton. There could exist little doubt that a person of Howqua's prudence and caution in all matters connected with foreigners would make such a proposal without due

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deliberation and a previous conference with the government. The president therefore felt confident that no opposition would be made to the proceeding, and upon the removal of the Factory Mrs. Baynes and her family accompanied him to Canton. No observation whatever has been made upon this occasion, and the hong merchants have paid their visits of ceremony according to the ordinary course of etiquette. The precedent having been established in this instance, may be acted upon by the other married members of the Factory according to their convenience.

16. It is gratifying to perceive an inclination upon the part of the natives of this country to yield to foreigners those points where restrictions at once useless and obnoxious have hitherto existed, and we shall avail ourselves of this disposition upon any favourable occasion which may present itself hereafter. In the present instance we believe that the impediment rested entirely with the merchants, and as these persons must be supposed to possess considerable influence with the government, we may hope, through the change exhibited in their sentiments, to procure some further amelioration in the terms of our residence in China.

Letter from Mr. Daniell, recorded upon Secret Consultations, under date 10th October 1828.

17. In a letter which we addressed to your honourable Court in the Secret Department, under date 18th November 1828, we stated, in reference to the affair of the estate of Mr. Thomas Beale, that Mr. Daniell had declined acting in the distribution of the sum of money deposited in our treasury by Messrs. Magniac & Co. on account of that estate in consequence of his name being omitted in the power of attorney sent by Mr. Molony to China, as the sole surviving trustee for the adjustment of the claims of the creditors.

Secret Consultations, 28 May 1829.

18. In the early part of this season, Mr. Daniell submitted for our perusal a letter from Mr. Lawford, solicitor to the honourable Company, in which he distinctly states that Mr. Daniell possessed no power to act in the distribution of the property in question, the deed under which he had represented Mr. Charles Magniac in the affair of the estate having been rendered invalid by that gentleman's decease.

Secret Consultations, 12 Sept. 1829. 25th.

19. Mr. Dent has subsequently placed in our hands a power of attorney executed by Mr. Molony, delegating his authority, as sole surviving trustee, to Mr. Dent, conjointly with others, to act in the affairs of the estate. In virtue of the power conferred by this document Mr. Dent claimed the delivery of the property above alluded to, which we made over to him upon receiving a formal acquittance. The authority of Mr. Molony to delegate such power has been clearly substantiated in the two letters of Mr. Lawford, recorded under the date of our records above quoted.

Secret Consultations, 1 Feb. 1830.

20. Mr. Dent has since proceeded to make the final distribution of this property, and has paid into our treasury the sum of dollars, 18,305, 160 decs., as the final dividend due on account of the claim of the East India Company upon the estate.

21. In adjusting the claim which has existed in the name of Mr. Welsh as attorney for creditors upon the estate of Mr. Thomas Beale, resident in America, Mr. Dent has acted upon a power of attorney held by Mr. Latimer, an American merchant, residing in Canton, which supersedes the power of attorney formerly given to Mr. Welsh, and authorises Mr. Latimer to receive two-thirds of the claim referred to. The validity of this document has been recognised by the judge of Macao, in whose court the original power of attorney in favour of Mr. Welsh was drawn out and registered. We understand that it is the intention of Mr. Dent to pay the remaining one third due, on account of this claim, into the hands of the judge of Macao.

22. No claim whatever upon the estate has been brought forward by the nominees for the management of the affairs of the late Barão du San Toze de Porto Alegre.

We have the honor to be, with great respect, honourable sirs,
Your most obedient faithful servants,
(signed) *William Baynes,*
Charles Millett,
J. Bannerman,
J. S. Daniell.

5.—Copy LETTER to China; dated 26th May 1830.

Our President and Select Committee of Supra Cargoes at Canton in China.

Paragraph 1. In our despatch to you, under date the 5th instant, by the Company's ship Canning, we acknowledged the receipt of your letters of the 23d and 30th November last together with your secret consultations from the 26th of February to the 23d November and we then expressed a hope that from the despatches expected by the Norden and Bridgewater, we should learn that your discussions with the Chinese authorities had been brought to an amicable conclusion, and that the business of the season had accordingly commenced.

2. We also stated, that although we had not had sufficient time to enter upon a consideration of the several points noticed in your proceedings, the fact of the stoppage of our trade had caused us the greatest regret.

3. Since writing the foregoing despatch, you will have been advised by our secretary's letter of the 8th instant, that we received on the 6th, by the American ship Augusta, your letters of the 14th and 29th December, by which we learn, that so far from any prospect of the discussions being brought to a satisfactory termination, you contemplated a representation to the imperial government of Pekin.

4. Having now taken into our most serious consideration the whole of your proceedings from the month of June, when you came to the resolution of ordering the ships to remain outside

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outside the river, to your address to the viceroy of Canton, under date the 16th November last, we proceed (without awaiting the arrival of the Bridgewater, the advices by which can only announce to us one of two results, either that the trade has been renewed, or that matters remain in the same alarming state) to communicate to you the result of our mature deliberation on the whole subject.

5. We can perceive no one circumstance, at the commencement of your proceedings, which could warrant the preliminary step of ordering the ships to remain outside the river. The plea of the health of the crews being promoted by such a measure, although recognized by our despatches in the year 1825, was clearly not the real motive for that proceeding on your part; and we concur in the opinion expressed by your president, that policy and courtesy should have led to a communication of the same, with the reasons for its adoption, to the viceroy, as it was a departure from the practice which, notwithstanding our orders above adverted to, has invariably prevailed, of the ships going up to Whampoa. It it however evident, from the course subsequently adopted by the majority of the Select Committee, that a stoppage of the trade was then contemplated, in the event of the viceroy being indisposed to accede to the propositions submitted by you for a modification of the existing duties, and a removal of the disabilities under which you represent the trade with the port of Canton to be carried on.

6. Your first and paramount duty was to endeavour to preserve unimpaired the highly beneficial commerce between this country and China, involving as it does not less the interests of the nation than those of the East India Company.

7. We consider that this important object will always be most effectually promoted by maintaining a good understanding with the authorities at Canton; and although we should never withhold an assent to a discreet and prudent exercise of the influence you may possess with those authorities for the removal of any of the difficulties which embarrass the general trade, (more especially that of the British merchants), we consider that you identified yourselves most unnecessarily with the objects of the addresses from the whole of the foreign trade, the multiplicity of whose representations you appear to have been fully aware had created great embarrassment to the viceroy.

8. It appears that our despatch of the 3d April 1829, directing the adoption of measures for obtaining an addition to the Hong, was received by you on the 1st September, and that the majority of the committee lay great stress upon its contents, as justifying the view taken by them on the 28th August, in opposition to that of your president, who was of opinion "that it was inexpedient to delay the entrance of the ships into the river, and the opening of the trade."

9. We can scarcely conceive it possible that such a construction could be put upon those orders. Desirous, as we undoubtedly were, of an addition to the Hong, we enjoined that such object should alone be attempted by every *proper* and *consistent* method. It could never for a moment be supposed, that in the face of the strong and repeated injunctions contained in our despatches, noted in the margin, against the stoppage of the trade, we could have authorized the attempt to carry our orders into effect at so great and imminent a risk.

27 Sept. 1815.
12 March 1817.
7 April 1818.
19 July 1822.

10. Our surprise, however, is still more excited at the tone and temper of the remonstrance which the select committee addressed to the viceroy on the 16th November, containing observations in reply to the report of the governor of Canton on your address of the 5th October.

11. The viceroy, as observed by your president, in his minute of the 16th November, had evinced a disposition to concede some of the points in discussion, and amongst the first was the increase of the Hong; but, notwithstanding this disposition, the majority of the select committee determined on the adoption of an address to the viceroy, couched in terms wholly at variance with the admonition contained in our letter of the 7th April 1818, and ill calculated to induce a continuance of that conciliatory spirit manifested on the present occasion by the Chinese authorities.

12. On this remonstrance Mr. Plowden very properly recorded his minute of the 23d November, expressing his disapprobation of several of the points contained in it, and dissenting from its tone and spirit, which he justly considered to be highly injudicious.

13. The remonstrance was followed by the select committee granting permission to the commanders and officers of the Company's ships to dispose of their private trade. The consistency of the select committee was compromised by this departure from their resolution interdicting all trade, a measure which they had deemed so essential to the furtherance of their views. It likewise involved the possibility of an imputation of a connivance on the part of our representatives at smuggling, from the remotest suspicion of which the Company's servants have hitherto been entirely free.

14. It appears that the reply of the viceroy to your address of the 16th November was temperate, and that your representations were answered with civility and attention; but you were distinctly informed "that the principle that no change can be made in the regulations of the emperor for the conduct of foreign trade is maintained with the greatest strictness."

15. After the discussions had reached this decided point it was evident that you had been informed of all the concessions that could be expected; and we therefore consider that prudence and policy should have induced you to have taken measures for resuming the trade.

16. The majority of the committee however still persisted in again addressing the viceroy, soliciting that as no persons had applied to be made Hong merchants, the select committee might be permitted to trade with any natives they might think proper.

IX. INTERRUPTION OF TRADE.

No. 3.

17. It is superfluous to remark on the inconsistency of this proceeding, the end contemplated being directly opposed to the instructions contained in our letter of the 3d April 1829, upon which the majority of the committee rest in a great measure the justification of the line of conduct they originally adopted. Moreover, the permission you solicited would necessarily have followed had the endeavour of the Chinese authorities to maintain the Hong proved ineffectual.

18. The viceroy, as it was to be expected, declared in answer, that "any further representations on those subjects would be returned unopened."

19. Notwithstanding this announcement, we find, by your letter of the 29th December, that you had drawn up an address to the hoppo, who had very recently arrived at Canton, recapitulating the facts mentioned in your addresses to the viceroy, appealing to the hoppo to protect the interests of the trade, throwing upon him the responsibility of risking its destruction by continued refusal to listen to just and reasonable demands, and informing the hoppo, that if your representations were still treated with indifference, you were prepared to lay before the supreme tribunal of Pekin a full and circumstantial detail of the system of corruption and extortion exercised by the local government of Canton upon the foreign trade.

20. The whole of these proceedings are so entirely at variance with the line of conduct which we have enjoined upon the attention of our servants in China, they evince such a total want of temper and judgment in the conduct of our affairs, and have involved in such imminent danger the vast interests committed to your charge, that after the most mature and deliberate consideration we have come to the following unanimous resolutions, viz.

"Resolved, That it is the opinion of this Court, that the proceedings of the majority of the select committee of supra-cargoes, which have led to the present unprecedented state of affairs in China, as detailed in the despatches lately received, calls for the marked and decided disapprobation of the Court.

"That the extreme measure, to which the select committee have resorted, of stopping the trade, not only appears to have been wholly uncalled for by the circumstances of the case, but is opposed to the strong and repeated injunctions of the Court, who consider it 'a measure so pregnant with difficulty, that nothing but the most imperious and urgent necessity could justify a recourse to it.'

"That this Court is likewise of opinion, that the tone and tenor of the remonstrance from the select committee to the viceroy in November last, are diametrically opposed to the admonition contained in the Court's despatch, before adverted to, in which the select committee were cautioned, that 'whenever they might recur to remonstrance, the cause should be first well weighed, and the necessity for the measure clearly established; and that when after due deliberation, they might determine on an address to the local authorities, all harshness of expression should be avoided and great care be taken that no personal feeling be suffered to mix itself with the expression of official remonstrance or complaint.'

"That entertaining such sentiments, this Court is of opinion that a change should be forthwith made in the members of the select committee.

"That Messrs. Baynes, Millett and Bannerman, be accordingly removed from the select committee, and that Messrs. Marjoribanks, Davis and Daniell be appointed members of the select committee in their room."

21. These resolutions are to take effect immediately on their receipt by our select committee, they will be despatched by the "Ann and Amelia," the ship taken up to carry a cargo from China to North America, of which you have already been advised, and on board which vessel Messrs. Marjoribanks and Davis embark forthwith from hence for Canton. We have especially enjoined those gentlemen cordially to co-operate with your president in every measure that may be best calculated to effect a good understanding with the authorities in China, and to replace our trade upon the footing which is so essential to the general interests of this country.

22. Since adopting the foregoing resolutions, we have received by the "Norden" your secret consultations to the 21st December. The details of which they put us in possession not only tend to confirm the expediency of the decision which we have already communicated to you, but have induced us further to resolve, that in all future discussions which may arise between the authorities in China and the select committee, involving the safety of our commercial intercourse, the president shall be invested with full powers to act upon his own responsibility, however much he may differ from the majority of the committee, should the measures proposed by the president be in accordance with the sentiment we have *so* repeatedly expressed on that subject. This provision is not intended to relieve your president and other members of the select committee from continuing, in discharge of their duty, to record on your consultations, in the form of a minute, their reasons for any difference of opinion which may arise in deciding on any proposition brought before them.

23. We have received the notice from Mr. Plowden, transmitted in your secretary's letter, 1st December, and in accordance therewith you will inform that gentleman, that we consider it a full and sufficient intimation of his intention to quit China in the ensuing season.

24. We

24. We have accordingly resolved, that Mr. Marjoribanks, whom it is our intention to appoint as president in the ensuing season, shall succeed to that station in the event of the death, resignation, or coming away of Mr. Plowden prior to that period.

25. The select committee will then consist of Mr. Marjoribanks,
- Davis,
- Daniell, and
- Smith.

26. We have likewise received your secretary's letter of the 26th December, transmitting a communication from Mr. Bannerman, that he is desirous of "receiving our sanction to proceed to England in the course of next season, with the intention, as far as he is at present enabled to judge, of eventually retiring from the service."

27. You will inform Mr. Bannerman, that he has our sanction to proceed to England for the above mentioned purpose.

We are, your loving friends,

(signed)

William Astell,
Robert Campbell,
John Morris,
G. Raikes,
George Lyall,
J. Baillie,
William Young,
R. Cutlar Fergusson,
John Masterman,
J. R. Camac,
N. B. Edmonstone,
J. L. Lushington,
J. D. Alexander,
J. Thornhill,
George Smith.
John G. Ravenshaw.

London,
the 26th May 1830.

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on 01 February, 2020